

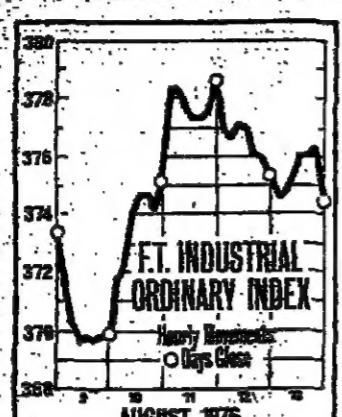


Swing  
ell  
NEWS SUMMARY

GENERAL BUSINESS

Belfast  
nourns  
child  
ictims  
Equities  
slip 0.9  
to 374.4;  
gilts ease

• EQUITIES had a late setback as the trade figures undermined stock market sentiment. Up 1.1



at 3 p.m. the FT 30-Share Index closed at 374.4, down 9.5 on the day, although still 1.1 ahead on the week. Trading was very thin.

• GILTS also fell in late dealings. Mediums and longs lost earlier gains of 1 to close unchanged on balance, while shorts ended with fractional losses.

• STERLING closed at \$1.7815, down 40 points. Its trade-weighted depreciation widened to 38.9 (38.6) per cent; dollars widened to 1.61 (1.60) per cent.

• GOLD was unchanged at \$113.375.

• WALL STREET rose 3.87 to 990.19.

• BUILDING SOCIETY net receipts rose £55m. to £124m. last month. With mortgage lending continuing at a record level, interest rates may have to rise, though perhaps not before

Back Page, Feature, Page 10

• £35m. package for industry

• INDUSTRIES making textile machinery and printing machinery are to receive £35m. in Government aid. Back Page

• GOVERNMENT will not make a decision on Babcock and Wilcox's future until it receives a report from the Central Policy Review Staff. In November, the company said that the power station manufacturing industry may collapse.

• RUSSIANS have awarded another contract to the U.K.-based order for Serck Controls to supply electronic remote control equipment for a gas pipeline. Page 15

• CONTRACT to build 1,050 flats in Algeria for Elm has been won by Merlin Construction. Page 9

• SOUTH AFRICAN mining company has been given permission to prospect for copper in the Islands. Page 11

• FERRYBRIDGE SIX, the power station workers dismissed for refusing to join a recognised union, have had their compensation cut by 10 per cent. to a total of £16,774. Page 11

• SELF-EMPLOYED Federation wants members to be as difficult as possible in dealings with Government departments. It suggests that they send cheques separately from VAT returns and that income-tax be held back until collected. Page 9

• MILK price will go up 1 to 9½ p. a pint from September mainly to keep down the cost of food subsidies. Back Page

• COMPANIES

• FILKINGTON Brothers has extended its £245m. offer for UK Optical for two weeks. Holders of 15 per cent. of ordinary shares have accepted so far. Page 11 and Lex

• PIFCO pre-tax profit was a record £14.4m. (£1.08m.) in the year to April 30.

• WARD HOLDINGS first-half profit rose to 50.27m. (20.18m.) on turnover of £2.8m. (£1.99m.). Page 12

EF PRICE CHANGES YESTERDAY

as in pence unless otherwise indicated)	Babcock and Wilcox	72	- 5
RISSES	Bord St. Fabrics	26	- 5
Wood Hodge	Bord (Jacques)	52	- 4
Indus. Ins. Amer.	Burt	150	- 4
nd Bank	Hawthorn Baker	124	- 4
ans.	Hounch	64	- 4
(C. and W.)	Jardine Secs.	117	- 4
va Tea	Reynolds Parsons	117	- 4
FALLS	Tramcar	114	- 4
Am. Inds.	Anglo Am. Coal	385	- 20
	Stevens	310	- 20
	Com. Marchants	700	- 20
	Free State Sashm	77	- 8
	Rainfountain Esq.	214	- 8
	Southern	300	- 50
	Vast Reefs	350	- 50

# £524m. trade gap in July widest for last 20 months

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Britain's visible trade deficit increased by £160m. to £524m. in July—the biggest monthly total since November, 1974—as a result of what are officially seen as a series of erratic and specially unfavourable factors.

A rise in the deficit had been widely expected by the foreign exchange market after authoritative indications about the likely impact of an import of an oil rig, and the extent of the deterioration caused only mild disappointment.

The pound fell by more than three-quarters of a cent from its opening level at one stage, but at the close the decline was 40 points at £1.7815.

It is significant that sterling has stabilised to the extent that the market can absorb such bad news without too much trouble and no real sign of any large-scale intervention by the authorities.

The July trade deficit is regarded in Whitehall as exceptionally large and not the beginning of a further major deterioration in the underlying trend after the earlier rise in the deficit in the second quarter, though the various "special factors" only account for part of the overall deficit.

Consequently, there is seen to be no reason yet to revise the Chancellor's implied forecast of a current account deficit of between £1.5bn. and £1.7bn. for this year, compared with £1.7bn. last year.

After taking account of an invisible balance of £130m. last the result of further large imports.

Continued on Back Page

Table Page 9

## BALANCE OF PAYMENTS

Seasonally adjusted £m.

Current

Visible Invisibles Account

1975

1st -850 +324 -466

2nd -687 +321 -360

3rd -986 +415 -571

4th -683 +380 -303

1976

1st -470 +416 -60

2nd -977 +390 -587

3rd -197 +137 -117

4th -253 +136 -117

May -20 +137 -117

June -268 +130p -135

July -364 +130p -234

Aug. -524 +130p -394

ports of North Sea oil equipment in particular £55m. for the Brent "D" platform.

Total imports for the North Sea were £110m., which compares with net imports of £5m. in June (after taking account of the export of £35m. of a gas installation). No further major installations are due for delivery this year.

Secondly, there was a sharp rise of about 40m. in the value of new ships built in foreign yards not registered in Britain.

Thirdly, imports of fuels

appear to have been erratic

high, with a 25m. rise in the oil deficit.

On the other hand, the volume

of exports fell by 5 per cent., which the Department of Trade describes as "almost certainly a random fluctuation around a rising trend."

There are suggestions that the factors such as the long hot spell and changed holiday pattern which depressed the June industrial production index may have also have spilled over to affect exports to July.

Even after adjusting for last month's erratic figures, there has been a distinct slowdown in the rate of growth of exports in recent months compared with the

Continued on Back Page

Table Page 9

## Belgian, Dutch discount rates up

BY ANTHONY HARRIS

THE BELGIAN and Dutch central banks were forced to raise their discount rates by a full point yesterday in an effort to counter heavy speculative trading in the currencies within the European "snake".

Rumours of an impending revaluation of the D-Mark, which appear to have originated overnight in New York, persisted throughout the day, in spite of official denials and the view among some informed dealers that no move was at all likely before the German Federal elections in September.

Heavy intervention in the main currencies to support the weaker currencies against the

## Palestinians urge war on Syrians

BY JHSAN HIJAZI IN BEIRUT

BEIRUT, August 13.

AS a small group of Palestinian fighters continued to hold out against their Right-wing Christian attackers in the Tel al Zaatar camp on the outskirts of Beirut, there were growing indications that the Palestinians would intensify their attacks on the Syrians, whom they blame for the collapse of the camp.

Dr. Hassan Sabry el Kholy, the Arab League special envoy, was today making special arrangements to ensure evacuation of the remaining citizens from the camp. About 12,000 are thought to have been evacuated yesterday.

To-day a number of Moslem gunmen laid siege to a Christian section in the Moslem-dominated western quarter of Beirut. Several broke into homes but other Moslem militants and Palestinian guerrillas moved in to stop them. There were gun battles, and the area was very tense.

## Technicians

The agreement reached by the Syrians and the Palestinians in Damascus at the end of July, which laid the basis for a continued Palestinian presence in Lebanon subject to close Syrian control, is now considered a dead letter.

The newspaper *As Soor*, which

is close to the guerrilla movement, said today that Palestinian representatives would not sit at the conference table either with the Syrians or the Right-wingers.

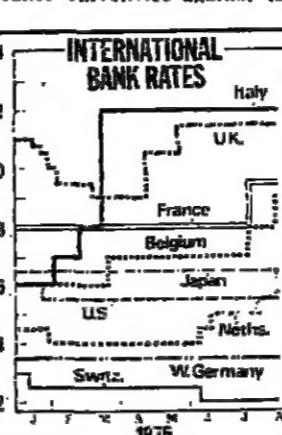
Mr. Kamal Jumblatt, the Left-wing leader whose men have been fighting alongside the Palestinians, claimed that the gains made by the Right were only short-term and announced the recruiting of a 4,000-strong People's Army.

He said he would seek \$100m. of aid from the Arab States to finance his plans.

He called for obligatory military training for young Moslems not already in military units, and asked for expansion of the Arab

The Syrian-Lebanese border was closed today.

Other Middle East News, Page 16



Continued on Back Page

## Seasonal food price cuts keep down living cost

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE cost of living rose by only past six months alone—there has still been no significant effect on output prices.

There is likely to be an impact before long, then affecting retail prices, with the result that the Government is hoping at best for a year-on-year rise in the cost of living of about 12 to 13 per cent. by December, instead of its earlier single figure.

The underlying rate of inflation was little changed in the range of 12 to 13 per cent. a year, for the seventh successive month.

The year-on-year increase in the retail price index last month was 12.9 per cent., to 156.3 (January 1974 = 100), broadly fulfilling the Government's hope of halving the rate of inflation during the full 12 months of the £6 pay policy.

After the big improvement in recent months—down from nearly 23 per cent. in February—the annual rate of increase is now likely to stabilise at about the present level until the beginning of next year, since comparison is with the monthly rises of late last summer and autumn.

It will take some months for the 4½ per cent. pay agreement to work through to the cost of living, and anyway it will be partially offset by the fall in sterling and rise in commodity prices during the spring.

The exact timing is still highly uncertain, since although the depreciation of the pound has already sharply increased industrial raw material costs—up by more than 15 per cent. in the

Continued on Back Page

Table Page 9

## RETAIL PRICE INDEX

(EXCLUDING SEASONAL FOODS)

LAST SIX MONTHS INFLATION EXPRESSED AT ANNUAL RATE

1975

1976

1975

1976

1975

1976

1975

1976

1975

1976

1975

19

# The week in London and New York

## Markets remain quiet

### ONLOOKER

Markets were fully prepared for some uncomfortable trade figures—the authorities softening up process started back in the middle of last week—so yesterday's bad news was accepted with some calm. But sterling moved down fairly sharply. On the week the 30 Share index closed modestly higher 374.4; by Wednesday equities had put in a two-day rise of nearly nine points with rises among FT-quoted industrials stocks running three-to-one ahead of falls. But the rally eventually petered out as gains fell back.

For gilts the economic news has been mixed. Central borrowing in July was on the low side, and yesterday's retail price index (for July) produced its lowest monthly rise for some two years. But bank lending is now in a clear up trend. The clearing banks have produced their fourth successive monthly increase in lending to the private sector, and yesterday's trade figures were equally bad news for anybody actually contemplating some short-term reduction in interest rates. The long tap moved up to 95.1 its last activated level in mid-week but there were no buyers, and both longs and shorts subsequently eased back.

The gold bullion price has edged up a bit further this week but Gold shares show no signs of rallying (which is partly explained by the technically low state of this market in London). ANZ Group went up the dollar premium on Monday and—if to underline the current relative strength of the Australian market—was at one time showing gains of a sixth over its opening price.

### Shell chugs on

Shell's second quarter results—showing a 15 per cent decline in net income against the opening three months, allowing for currency adjustments—displeased the market on Thursday. But profits for the half-year are still well ahead of 1975, and in any case it is rare for any single quarterly return to prove conclusive about overall earnings trends. If there are disappointments they centre on oil volume which still shows little sign of improving along with the world economy. Shell's first half oil product sales volume was marginally down on 1975 with volume in Europe falling by around 2% per cent.

Whether the long awaited increase in oil consumption is showing through the third quarter remains a matter for conjecture with Shell shedding little light on future trading comparable with 1973's £40m. ton towards private motor 9 per cent.

### MARKET HIGHLIGHTS OF THE WEEK

	Price Y/day	Change on Week	1976 High	1976 Low	
F.T. Ind Ord. Index	374.4	+ 1.1	420.8	364.7	Ahead of July trade figures
A. D. International	123	+ 12	123	80	Increased bid from Dentply Int'l.
ANZ	353	+ 32	376	251	Australian demand
Abercom	143	+ 13	305	130	Good preliminary figures
Aper Properties	133	+ 9	138	91	Fresh bid speculation
Associated P. Cement	163	+ 7	202	146	Investment demand
Blackwood Hodge	113	+ 9	156	100	Rally after recent setback
Bougainville	149	+ 10	165	96	Increased half-year results
Burnham 41% Deb. 1968/81	£100	+ 30	£100	665	Early redemption
Dufay Bituminous	48	+ 9	57	35	Take-over hopes
Keyser Ullmann	39	+ 7	54	30	Ahead of Monday's results
Kinloch	120	+ 8	140	108	Satisfactory interim report
Manchester Ship Canal	180	+ 23	193	153	First-half profits upsurge
North Broken Hill	212	+ 27	215	138	Strong demand in Australia
Pegler-Hattersley	150	- 10	181	144	Selling on unexpired market
Royal Insurance	298	+ 8	352	266	Ahead of Monday's half-year results
Thomson Organisation	300	+ 13	308	222	Revived North Sea speculation
Ultramar	114	- 14	201	112	Disappointing interim figures
Unilever Holdings	70	+ 10	70	44	Bid from D. Macpherson
Weyburn Engineering	337	- 21	366	150	Profit-taking after recent strength

### TV Radio

† Indicates programme in black and white

#### BBC 1

8.55 a.m. Mr. Benn "The Frogman," 8.10 Yon's Gant (Cartoon series), 8.25 Kim and Co. 10.00 On the Move, 10.10 Tennis, 10.35 Charlie Chaplin in "The Champion," 11.00 Happy Times and Jolly Moments (Mack Sennett comedy), 11.22 Weather, 11.25 Cricket, 11.30 Test England v. The West Indies.

1.30 p.m. Grandstand: Swimming (1.35, 4.15) The Europa Cup; Racing from Newbury (1.30, 2.20, 2.55); Cricket: Fifth Test (2.05, 3.25, 3.45) England v. The West Indies; Athletics (3.05) The Nationwide Building Society AAA Championships; Show Jumping (4.15) The Wills Horseless Tandem; 5.15 First News including football and racing results and cricket scoreboards.

5.20 The Sharp Lewis Show.

5.30 News.

5.40 Sport/Regional News.

5.45 Walt Disney's The Mouse Factory.

6.10 For My Next Trick.

6.40 Saturday Night at the Movies: "The Tomahawk and the Cross," starring Jeff Chandler.

8.10 Seaside Special from Torbay, starring Peters and Lee.

9.00 Starkey and Hutch.

9.50 News.

10.00 Match of the Day Special.

11.30 The Sounds of Scotland.

All Regions as BBC-1 except at the following times:

Wales—11.20-11.50 p.m. Swu Y Ser, 11.50-12.05 p.m. The Gun, 12.05 a.m. News and Weather for Wales.

Scotland—5.15-5.29 p.m. Scoreboard, 5.40-5.45 Scoreboard, 10.00 The Scots of Scotland, 10.15-10.45 Sportscene, 11.30 Ralph Hotel Singa, 11.50 News and Weather for Scotland.

Northern Ireland—5.40-5.45 p.m. Northern Ireland News; Sport, 12.05 a.m. News and Weather for Northern Ireland.

BBC 2

7.40 a.m.-2.45 p.m. Open University.

3.05 Saturday Cinema: "Saigas," starring Cornel Wilde.

4.30 Cricket: Fifth Test, England v. The West Indies.

6.40 News and Sport.

6.50 The Girls of Slender Means.

7.40 2nd House 2nd Run.

7.50 The Festival 40: The Billy Connolly Show, 9.30 Frost Over England.

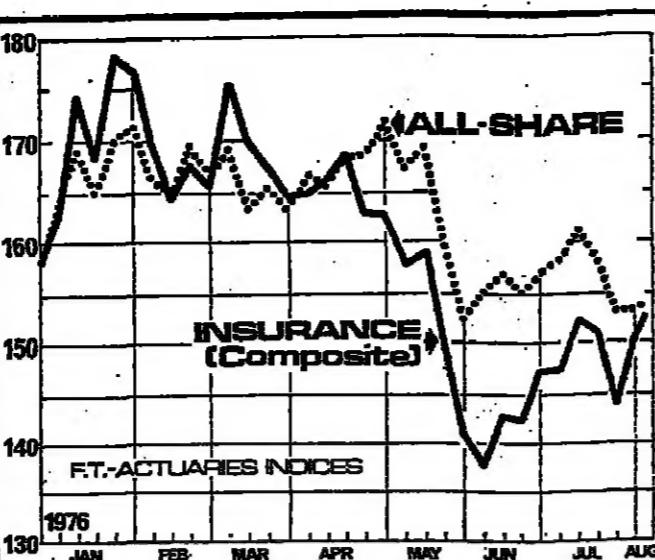
9.30 Cricket: Fifth Test (highlights).

10.30 News on 2.

10.55 Masters of Terror, "The Phantom of the Opera," starring Lon Chaney, and at 12.10 a.m. "Dr. Jekyll and Mr. Hyde," starring Frederic March.

LONDON

9.00 a.m. Play A Tune with Ulf Goran, 9.25 Furnishing on a Shoestring, 9.30 Sunday Scene introduced by Sallie, 9.45 Adams Family, 10.20 The Beachcombers, 10.30 Junior Police Five, 11.05 The Jetsons, 11.30 Super-pop 76.



### Tanker cycle

London and Overseas Freighters' intention to bring three 138,000 dwt tankers, and one smaller one, out of lay-up and into the spot market may give some credence to the view that the end of the tanker recession could just conceivably be in sight. However, even the optimists are still talking long term. At best it will probably be around four years before the world tanker market reaches anything like full capacity again and that assumes that both U.S. oil consumption and world-wide vessel scrappings, continue at their present rate.

The shippers should start to benefit from the recent rise in worldwide tanker rates. Lots vessels which are to be brought back into action are all relatively new so it seems

inevitable that they will still show an overall loss on trading at present rates. But by trading they will at least wipe out a large part of lots lay-up costs (last year these totalled £1m.) and generate enough cash to cover operating costs and to pay at least a part of the loan interest. LOF's statement has done absolutely nothing for share prices in the sector, which at present seem to have most of their short-term antennae tuned into the prospect of a seaman's strike. But having proved the worst industrial performer in 1975 the shippers are this year comfortably tucked in towards the top of the performance charts.

### Composites

A contrasting picture of the current state of health of composite insurance industry was presented this week when Commercial Union and General Accident announced their half-year results. Although the CU recorded a higher pre-tax profit of £1m., the overall trend indicates that it is still finding progress difficult to achieve. GA

is the feature of GA's results was the strong improvement in U.K. business. The group's emphasis on personal business has benefited from large motor premium increases and the success of publicising its new index-linked household policies

which includes a 5% increase in U.K. consumption. Milk production will have to decline much further before Unigate's actual liquid sales are affected on any scale; liquid milk together with the non-milk based operations probably account for two-thirds of total profits.

Most outsiders still expect earnings to rise this year with analysts plumping for around £25m. pre-tax, against £21.6m. in 1975-76. The resultant p/e is on the high side at 74, but the prospective yield currently tops

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# Your savings and investments

## striking a balance in reports

CHRISTOPHER HILL

IN THE Unit Trust Association produced its comments this historical virtues of return on inclusion of the management or to comment on the various concerning the proposed capital as the hallmark of accounts—"Of what possible criticisms which are shaking efficiency and is utterly opposed to any form of "social" audit. In this sense M and G always has been conservatively orientated mavericks, opposing any form of government interference and looking askance at the value of "committee" management. It was also for many years doubtful about the value of including "too much" information in its own unit trust reports, taking the attitude that the majority of investors were not really interested.

This was in the mid-1960s and the quality of unit trust reports measured in terms of the quantity of information received—has improved a great deal since then. Looking at Sav and Prosper, as perhaps the weather-vane of information requirements, the unitholder is given views on trends and prospects, the capital record of his units against relevant indices over a reasonable period, the income record, principal holdings, portfolio values of all share holdings plus the percentages these represent of the total portfolio.

Where unit trust accounts are concerned, Mr. Palamountain believes that most of these are useful to attempt to give meaningful

information to the unitholders but rejects the details about portfolio changes or inclusion of the management or to comment on the various

interests they can be? My own opinion is that the biggest area of improvement in unit trust reports and accounts has been not only the increased details about the portfolios, but also the greater attempts by the management companies to include details of discount movements.

Turning to the reports of property funds, one has to remember that property bonds were heavily under attack during the early stages of their development over the valuation of their investments and this has influenced the production of their reports. Certainly the bond reports of the major groups are lavish with photographs, tables, graphs and information of every kind. The latest example is the 48-page report of the Property Growth, which includes details of all the group's funds, but has still not escaped criticism on the grounds that the purchase prices of the properties in the portfolios are not included. It was noticeable that at last week's Press conference to announce the publication of this report that the accent was on the fact that the cost of the publication had been held at last year's level. In this respect one cannot but wonder whether property bond managers may now feel that—having

been asked to provide a simplified version for shareholders and employees with a report available on request—

the weather-vane of information requirements, the unitholder is given views on trends and prospects, the capital record of his units against relevant indices over a reasonable period, the income record, principal holdings, portfolio values of all share holdings plus the percentages these represent of the total portfolio.

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Edgar Palamountain

## Wool textiles' recovery

BY PAULINE CLARK

WORSTED SPINNERS and wool-combers, Illingworth Morris, has let its side down, rather badly on the stock market.

After the disappointing news of a near 50 per cent. drop in pre-tax profits ten days ago, share prices for the rest of the Yorkshire woolen textile companies have fallen, if not sharply, at least significantly compared with both the textile sector as a whole and the general trend for industrial equities.

By mid-week, the average price for the woolen sector was down some 8½ per cent. which was around 7½ points steeper than the market.

For a sector that for some months now has been watching specific indicators of an early recovery from recession (in contrast to those industrial groups tying themselves more vaguely to the rate of economic upturn) wool textile stocks have trodden a curiously uneven path so far this year.

It is true that the average share prices of the bigger names, including Allied Textiles (turnover £25m.), Dawson International (turnover £44m.), J. Haggas (turnover £15m.) and Illingworth Morris (turnover £28m.) have risen on average nearly 7 per cent. since January against a 3.7 per cent. fall in the FT 30 industrial average, while the sector as a whole, comprising over two

dozen Yorkshire quotations recent months have produced (whose prices are less resounding depressing results to be seen because they move in a damper on the shares).

J. Crowther (woolspin and worsted cloth) last reported a £1m. loss, a peak was reached turn-round to a loss. John Foster (worsted spinning and of even the wool sector has dropped 13 per cent. against a 10½ per cent. and similar declines were reported by Parkland Textile (worsted combers and spinners) and Hield Brothers (spinners and dyers). Even the highly thought-of Allied Textiles offered little encouragement in its recent interim figures.

Unfortunately, the wool price upsurge also comes as a mixed blessing. While it augurs well for demand and should produce stock profits for those companies at the early combing and export earnings in May set a top-making end of the business, the cost of financing increasingly expensive stocks will take a toll on cash resources.

However, in most cases, last year's downturn in activity

is another side to made considerable degearing possible. Illingworth Morris, after being badly eroded by whose borrowings have increased sharply because of recent acquisitions, is among the worst hit by recession as the cycles always show.

Industry is to stop paying commissions altogether on pension

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they need do is persuade the investor after say four or five years to switch to a better

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## Wider scope for abuse

BY ERIC SHORT

SALES of self-employed pension plans have been soaring this year due mainly to the higher commission rates granted last November to brokers and other agents by the Life Offices Association. This trend is well under way since the self-employed need to make such provision because they will have been paid roughly the same amount at the end of the year as from the State. But they are certainly not equal in the self-employed pension field. We have pointed out before in these columns that it is often more advantageous to the investor to effect a series of single premium contracts at the same level of premium.

In practice, brokers in general prefer to receive a high initial commission rather than a steady amount each year in order to recoup the expenses which occur while discussing the plan at the end of the day with clients. Indeed, it is doubtful whether some smaller for the same outlay. This is cer-

tainly the case on past performance. There are possibly valid reasons why an investor should be sold an annual premium pension plan in preference to a single premium plan. In theory, the broker all other things being equal, will have been paid roughly the same amount at the end of the year as from the State. But they are certainly not equal in the self-employed pension field. We have pointed out before in these columns that it is often more advantageous to the investor to effect a series of single premium contracts at the same level of premium.

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# Finance and the family

## Wedding gift to Canada

BY OUR LEGAL STAFF

I wish to give my holding of Hudson Bay Co. shares to my niece, who lives in Canada, on the occasion of her wedding. Should I transfer them to her, or sell them and send her the money, which I understand is limited to £1,000? Do any tax liabilities arise?

Normally, the limit on a gift to Canada is £300, though I believe you might be given permission to make a larger gift on the occasion of a wedding. You should ask your bank to apply to the Bank of England. There is a clear advantage in your selling the Hudson Bay shares rather than transferring them to your niece. If you give them to her, they will no longer attract the investment currency premium. If you sell them, you will receive the premium—less the normal 25 per cent. surrender—and will be able to send her cash out of the proceeds. The value of your gift, if along with other gifts in the course of the year, exceeds £2,000 will be subject to capital transfer tax in your estate.

### Legal aid fund and costs

Compensation paid by an insurance company for an injury to my mother was deposited in the Legal Aid Fund which cannot pass it on because her solicitor's claim for fees from the insurance company has been rejected. How can she get the money due to her?

Your mother must press her solicitors to agree an amount in respect of costs with the insurance company. The damages will not be released until the Legal Aid Fund can be assured that all costs have been paid.

### Money held by agent

I paid for a package tour in July 1974 and the agents forwarded the cheque to Horizon Holidays slightly before August 16. When the news broke of Horizon's collapse the agent succeeded in putting a stop on his cheque, and on November 20, 1975, paid the money to the liquidator from whom I recently received a refund. Do you not think that the interest

on the money while it was in the agent's hands is due to me?

We agree that after August 16, 1974, the agent could not be said to have held the money which you had paid him as part of any normal transaction; and we think that a reasonably strong case could be made out for his accounting to you for interest on the amount which he held from August 16, 1974, to November 20, 1975, on the basis that during that period he held that sum on trust for you.

### Stamp duty and covenants

I am trying to reclaim tax on behalf of two children who have now reached their majority in connection with covenants I made to pay them £100 a year each. The tax inspector says the documents should have been stamped. If this is so, how much is involved and how should I reply?

Stamp duty would be payable: the amount will depend on the precise formulation of the deed but is unlikely to exceed £2 and could be as little as £1.40. You should reply stating that you are having the deed stamped, and apply to the Controller of Stamps for stamping.

### Reinvestment abroad

I have Bank of England permission to obtain investment currency in order to build a house abroad, and propose to sell premium worthy Canadian stock to raise the money. It has been suggested to me that it would be possible to buy the currency direct from the stock sale, in one operation rather than two and so save the surrender of a portion of the premium. Is this so?

You cannot avoid the 25 per cent surrender when you sell your shares. After sale, you would be allowed to retain the proceeds, less the 25 per cent surrender, for a period of up to six months, for re-investment abroad. After six months you would normally be required to forfeit another 25 per cent of the premium. However, if it is your intention to buy property abroad and you have Bank of

England permission for that, we believe that you might on application be allowed to hold the currency for a longer period than six months without any further penalty.

### Retaining assets abroad

My wife and daughter were born in South Africa and have recently inherited shares and cash there. Can they leave the property there, or sell it and buy property in a third country with the proceeds?

Assuming that your wife and daughter have retained South African nationality, it would be open to them to apply through their bank to the Bank of England for a measure of exemption from the U.K. exchange control regulations to enable them to retain assets abroad. If this permission were granted, there would be nothing to prevent those funds being used anywhere.

### Management of flats

We have been advised that it would be better and cheaper to dissolve the company which runs our block of leasehold flats, and to form an association among the occupants. Do you agree? Would a document drawn up by a lawyer be necessary?

You would certainly need some legal documentation, especially to form your association. If the company does any effective management and/or repair or redecoration work it may well be more expedient to keep the company in being, as it can be difficult to procure work to be done for an unincorporated association where the members must assume full responsibility.

It is suggested that you consult a solicitor if you wish to achieve the objects you mention. However, in answer to your specific queries:

(a) Yes, minors can hold shares and property. They cannot hold a legal estate in real property.

(b) No. If the joint shareholding is not manifestly a genuine gift (which may attract capital transfer tax) a person entitled to make a claim under the Inheritance (Provision for Family and Dependents) Act 1975 might seek to set it aside.

(c) No, it could be done by a declaration of trust, but the amount which is the subject of gift whether by transfer or by a declaration of trust, will be subject to capital gains tax and capital transfer tax where appropriate. Thus the annual gifts which you suggest may be the best course to adopt.

(d) Normally the income would be paid to the first named holder but attributed for fiscal purposes as to 2 to each of the three joint holders. Similarly disposal would give rise to three equal interests in the proceeds. Any capital gains would be that of each joint owner notwithstanding minority, as is currently the case with income.

It is suggested that you consult a solicitor if you wish to achieve the objects you mention. However, in answer to your specific queries:

(a) You can claim payment of the tax credit on U.K. dividends, less 15 per cent tax; for example, on a dividend of £65 you would receive a payment of £20 from the Inspector of Foreign Dividends (Article VII of the 1960 agreement as substituted by the 1969 protocol, the residence rules are coupled with section 95(1) of the Finance Act, 1972).

(b) Interest will be exempt from U.K. tax (Article VIII of the 1960 agreement).

(c) Royalties for the use of a copyright, patent, design, secret process or formula, trademark etc., or for a film, will be exempt from U.K. tax (Article IX of the 1960 agreement).

(d) Commission, etc., might be taxable in full (and added to the net rental income in determining the liability to higher rate tax) if the services were performed in the U.K. for a short time.

If you are regarded as resident in Italy for the purposes of Italian tax and are subject to Italian tax on your U.K. income, you will benefit from the double taxation agreement between the two Governments and your U.K. tax position will be as follows:

(a) Net rental income will be taxable in full, including investment income surcharge and higher rate tax if the income is high enough (Article V of the 1960 agreement).

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## Resident abroad and tax

I went to live abroad several years ago, and am now living in Italy, where I am employed. Could you tell me which of the following items of U.K. income is liable to U.K. tax, and against which I can set my personal allowances? They are (a) rental income, (b) dividends, that is, can I reclaim tax credits? (c) interest on a bank deposit account, (d) royalties, (e) commission, (f) capital gains. Would my non-resident status be changed, if I were to take up employment in the U.K. for a short time? If you are regarded as resident in Italy for the purposes of Italian tax and are subject to Italian tax on your U.K. income, you will benefit from the double taxation agreement between the two Governments and your U.K. tax position will be as follows:

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## Motoring

## Solid Lada

STUART MARSHALL

YEARS ago the Soviet alleged dumping of cars by government asked Fiat to show Comecon countries recently, the Lada must have been in his mind.

looks like the Fiat 124, or less, but is a different car. To make it cope with the harsh climate and bad roads in large areas of the Soviet Union, it has been beefed considerably. The suspension is stronger; the sheet metal is thicker and it stands off the ground.

You get an idea of the type use it is intended for by reading the instruction book, "preface" says that the 2103 (that is what they call Lada in Russia) is "a high-light five-seater capable of driving over all roads except roads rutted by heavy trucks."

They must expect a fairly kind of customer, too, because the book goes on to warn against various misdeeds which happen to include breaking the handles by trying to open the windows when they are frozen solid.

The Lada has become quite popular in Britain among the conscious. Most of the 10 imported in the first half this year were the 1200s and estates but a bigger, indeed better trimmed 1500 is coming in. At £1,785 it is £400 dearer than the basic saloon, but by West European or Japanese standards it is ridiculously cheap. When landlord's Derek Whittaker



In the boot was what looked like a genuine English cricket bag but turned out to be the toolkit. Its 21 items included a tyre pump, dial-type pressure gauge, inspection lamp that plugs into the cigarette lighter and even a starting handle—but, strangely, no screwdriver. It must be worth £15, would appeal to the do-it-yourself owner here and might be a life saver on the steppes.

Speedometer with trip recorder, revolution counter and three mysteriously labelled gauges are set in a mock wood fascia, which I thought smacked of pandering to the executive class, with its warning lights in the door edges, wall

to wall carpet, illuminated glove compartment, door pockets and so on. But only superficially. The standard of interior finish and detail is low—almost agricultural in places. By comparison, the Italian baby Fiat 126 I now have on test looks like a work of art, though it could have been assembled by craftsmen.

However, the Lada 1500 can't be expected to be sophisticated as well as cheap and it goes surprisingly well. The engine revs willingly and one has to be careful not to stray into the forbidden, over 6,000 rpm zone, at which it is doing 45 mph in second and 70 mph in third. It is noisy, despite a sound absorbing blanket under the bonnet, at 70 mph on the motorway and feels under-gearaged. There is enough power on the highway, especially when loaded, and feels unbreakable on rough going, which is what

one would expect of a car built to run over dirt roads. Like the Polski-Fiat 125 I wrote about earlier this year, it is strong if unsightly. Paintwork appears to be of good quality and the doors, boot and bonnet all fit properly. In a bid to make a ten-year-old body shell look more up to date, the Russians have set the 1500's four halogen headlights in a wide chrome plated grille and put an extra chrome strip down the side panels. Now that "black is beautiful" to the car stylist, the effect is me at any rate is the reverse of what was intended.

The Polski-Fiat 125 is, I think, even better value than the Lada 1500 at £1,448, but the Lada has it on performance. If you can overlook its lack of refinement, it's quite an entertaining car to drive.

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## Golf

## Weiskopf thrust back into the pack

BY BEN WRIGHT, Washington, Aug. 13

THE TANTALISING switches of fortune that make big-time golf so fascinating to the onlooker and tortuous to the player were never more in evidence than here at Congressional Country Club as the second round of the 58th U.S. PGA Championship got underway this morning in the same steamy conditions that had tried everyone yesterday.

As the overnight leader Tom Weiskopf (65), who led by one shot from Tom Kite and the late-finisher Dr. Gil Morgan, made his way to the first tee, the sun was already burning off the dew and the local radio station was announcing the humidity at 78 per cent, even at that early hour. Once again the temperature was destined for the high 90's—it reached 97 yesterday—and play was twice halted while the course was watered.

Weiskopf had missed several



Arnold Palmer: no satisfaction

fairways yesterday, but had not tangled with the trees—the evergreens that are such a menacing feature of this magnificent course. Yesterday his iron shots were so brilliant that the rough counted for nothing as this majestic if wayward athlete hit towering shots to the green.

Because the course had yielded a rash of low scores yesterday, the pins were virtually hidden this morning with birdies at the 10th and 13th holes that put him seven under par with five holes to play. In second place at the moment is Bob Zefer at four under par after eight holes, while Kite has just finished with a 72 for a two-under-par total of 138.

Former champion Don Janury is two under par with three holes to play, as is the heavyweight long hitter, George Cadle, after 11 holes.

The news of Jack Nicklaus is

## CRICKET

Trevor Bailey's report of the West Indies' first test batting sprees is on page 15.

middle sixties when Jack Nicklaus came along to topple me off my perch," Palmer told me. "Now Jack is getting more than a little of his own medicine from the pack of young upstarts Jerry Pate is leading against him."

There was no sense of satisfaction in Palmer's voice. But the point was well made. For instance, in the Canadian open last month Nicklaus closed with a round of 65 that would have been good enough to render the opposition impotent in any recent season—until this one. Pate, who had managed to run up an 87 in bowing out of the Open Championship after three rounds at Royal Birkdale three weeks after winning the U.S. Open in June, calmly fired a 63 that made Nicklaus's score look ordinary as the 22-year-old beat him into second place by four shots in Windsor, Ontario.

Nicklaus, the defending champion here, has not won a major title this year, and in fact has not even won a tournament since the Tournament Players' Championship in late February. By his own exalted standards, and by his own admission, it has been a miserable year, despite his fifth place in the money lists with earnings of \$152,018. Nicklaus is never more dangerous in such a situation, especially since it is being freely bandied about that like Palmer did a decade ago, Jack is visibly losing his touch within six feet of the hole.

Nicklaus has an added incentive here, in that if he won the title for the fifth time he would equal the record of the late, great Walter Hagen.

Nicklaus's record is tremendous compared with that of Palmer. Jack has won the title three times since 1971, and only once in his professional career has he missed the cut in this event—in 1968. Only in 1966 did he ever finish outside the top twenty. Poor Palmer has tied three times for second position in 1964, 1968 and 1970, but since then has never finished higher than 12th.

I see here a parallel situation to the one I faced in the

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# The Arts

## The Theatre in the Hills

BY ANTHONY CURTIS

Visitors have been pouring into Scotland in droves this summer. Pitlochry stands on the A9, the main road from Perth to Inverness, a busy thoroughfare at the best of times, which at weekends becomes solid with cars and coaches. The Pitlochry Festival Theatre is only a few hundred yards to the right of it but it rests invitingly aloof on an eminence of its own, an elongated pavilion spilling blue and white striped sunbaths and parasols, entered from the exiguous car park or through a flourishing rose garden.

"Scotland's Theatre in the Hills," as it styles itself, is curiously in its 38th season of drama, music and art. It seats around 600 people and since the season opened at the end of April, it has deservedly been doing excellent business. Dr Kenneth Ireland, the festival director, is firmly committed to a view of theatre as popular entertainment, hence the presence in the repertory of a commercial farce by Ray Cooney and John Chapman, but he also aims to nurture new playwrighting talent and to keep alive the tradition of Scottish drama.

Tom Gallacher is here as playwright in residence and his adaptation of a Scottish Restoration comedy in 1692 by Archibald Pococke is the artistic curiosity of the season, alternating with it there are revivals of Barrie and Bridie. In the foyer and on the wall of the Brown Trout Restaurant the visitor can see exhibitions of work by Scottish artists and on Sunday evenings there are concerts. Anne Howells is booked to give a song recital later this month; a Sunday ago we heard an agreeably ironic group, The New Excelsior Talking Machine whose forte is ragtime, underlining how much more there is to that term than the work of Scott Joplin.

Apart from drawing on the summer visitor the Theatre has attracted a loyal band of local patrons who from time to time patronise in the restaurant to observe over coffee the production of a new play under workshop conditions and to discuss it afterwards quizzing the director and performers. The first half of a two-handed play *Duet* by the Glasgow novelist William McIlvanney was afforded this treatment recently and it survived such scrutiny surprisingly well. In it a travelling salesman returns to the town of his youth where he meets again the girl he had not divulged the ending, so I



Alan Bennett and Walter Carr in 'The Forrigan Reel'

will say no more than that. The diction was enlivened, too, by author claims to be parodying the original Doyle stories so much as the subsequent Basil Rathbone films, but this cannot excuse the wordy pontificating with which he builds up his situation. However, once again the stronger

These productions need to be seen in contrast to the stronger fare of *What Every Woman Knows* and the *Pitcairne* rescue with some fine evocative scenes of 21st and a cellar in Wapping. Brian Shelton's pro-

### Theatres this week

YOUNG VIC—Four to One. Five it. Opened Tuesday. Clever actors play pool and exchange bar-room conversation. ICA—Hot Peches. Yet another American Gay Liberation bunch, cheerful and good-natured and frank. Reviewed Thursday.

DUKE OF YORK'S—The Seagull. Anyone would think this was Chekhov's Bicentennial. This

Seagull from the Derby Playhouse boasts some moving performances, notably from Alan Bates as Trigorin, but it is

somewhat weak on atmosphere. Opened Wednesday.

OPEN SPACE—Seven Girls. Semi-documentary play about girls in a Swedish reformatory.

ROYAL COURT—T. Zee. A satire on the life of Los Angeles as experienced by a Tarzan figure

resolved itself into little more than an evening of cheerful songs. People who have seen

*Sherlock's Last Case*. Posters all over Pitlochry implore one

to see *The Rocky Horror Show* more than ten times will want to try Friday.

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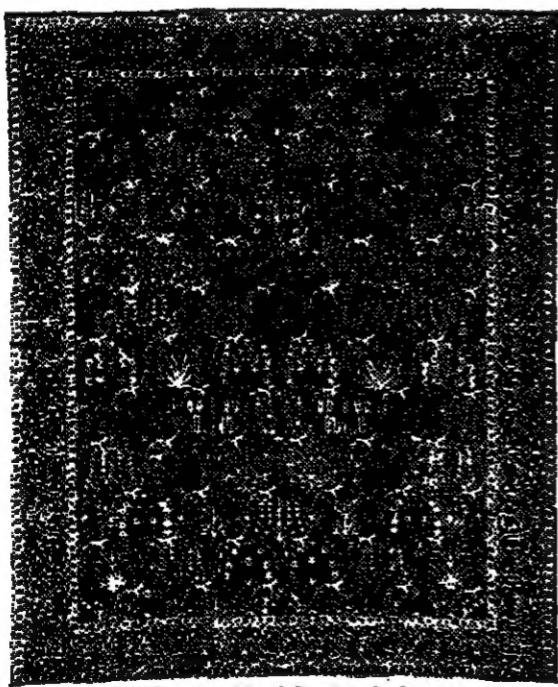
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## Sotheby Records



A 16th century North Persian carpet, 232 by 287 cm., sold on 14th April, 1976, for £62,000

Sotheby Parke-Bernet & Co.  
54-55 New Bond Street, London W1A 2AA

The price realised for this carpet was one of a number of record auction prices achieved during the series of Islamic sales which took place from the 12th to 14th April, 1976. The five sales totalled more than £1,300,000.

A second series of sales will take place in the autumn and will include Islamic antiquities, metalwork, ceramics, enamels, arms and armour, Oriental manuscripts, miniatures, carpets, textiles, lacquer; European paintings, drawings, prints, photographs and books on Islamic subjects.

The closing date for the consignment of property for inclusion in these sales is 1st September, 1976.

Sotheby's

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## Collecting

## Esoteric bargains

A FLEA MARKET opened last week in the unlikely setting of a flea market in the basement of the Liberty's Regent Street store, in what was the Persian carpet stock room in the basement. One of the best bargains at the opening was probably a large old wooden screw-clamp for £2, and as it had the name Liberty incised on it at least three times I bought it. I don't know yet what I shall do with it, but polished up it looks extremely handsome.

Other esoteric bargains that drew my eye were a metal candlestick and an old cottage winder, both at £4, while more mundane objects, such as Edwardian brush and comb scoops, slightly horrific 1820s brass horsehair gongs, and electroplated biscuit barrels were more highly priced at nearer £20. Nevertheless they appeared to be quite acceptable to the tourists with their devalued pounds, who scooped them up with éries of delight, to bear them home triumphantly as typical souvenirs of England.

The philosophy behind the buying is to keep prices very fair and to buy the sort of bric-a-brac and knick-knacks that people go to Portobello for," says buyer Ken Wootten. At the moment the idea is in the experimental stage depending on how it goes and whether he can get enough right-priced merchandise enough right-priced merchandise of suitable quality.

Selling antiques, or perhaps collectables, is a better bet, most of which are relatively difficult to come by nowadays.

Many of the smaller items get in London, where it is still a fairly limited operation. Liberty's started Mrs Honnay's Room on the 4th floor in 1973, despite being more expensive than the name derived from the after-lining costs and so on. Punch cartoon where a hostess Harrods Knightsbridge has

the name derived from the after-lining costs and so on. Punch cartoon where a hostess Harrods Knightsbridge has

new house to a friend: "We're

very proud of this room, Mrs Honnay. Our own little up-holsterer did it up just as you see it, and all our friends think it was Liberty!" Looking at the clutter, the visitor (sotto voce), says: "Oh Liberty, Liberty. How many crimes are committed in your name?"

On the whole it is very

successful, as things like Vic-

orian shaving mugs, silver

hand-basins and dec-

orative ware and dec-



# Property

## The price of an island escape

BY JUNE FIELD

WHILE MUCH of the attraction of living in Guernsey, the most westerly of the Channel Islands, must naturally be that it is a tax haven, it has other charms too. Although British, its former attachment to the French mainland (a gigantic tidal wave separated it in 709 AD), its Norman Conquest antecedents, and having to cross the water to get there, all contribute to a feeling of being "abroad."

St. Peter Port, with its 15,000 population, nearly a third of Guernsey's total, combines the functions of administrative centre, sea port and market town. Its Regency streets are considered to rank with all but the grandest terraces in Brighton, Cheltenham, Leamington Spa and Sidmouth, the principal Regency towns of England, and excellent documentation on the town's architectural qualities is in C. E. B. Brett's scholarly *Buildings In The Town And Parish of St. Peter Port* produced last year for the National Trust of Guernsey (£1.25 plus 20p postage from Les Moults pieds, St. Martin).

Mr. Brett confirms that the real wealth of the town lies in the vast number of pleasant vernacular houses, mostly of stucco, in the styles fashionable in England between 1770 and 1890; although as he points out, it is also rich in buildings which "really belong on the stage; classical in plan and function; skin-deep Gothic or Tudor or Jacobean on the surface." He castigates too, a particularly ugly wholesale warehouse as having "very strong claims to being the most objectionable eyesore in the whole town."

Although money is freely transferable from the U.K., there is nevertheless a premium of sorts to be paid on property in Guernsey, with one price for the locals and one for newcomers; this custom is of course nothing new—in many European holiday areas this is an accepted procedure on various commodities and services.

Understandably the idea behind Guernsey's two-tier property market is to ensure that smaller homes under a certain value are available for more luxury-style bungalows. States of Guernsey levies its residents; the latter defined as from £45,000, with reproduction own rate of income tax which anybody who lived on the island Georgian-style residences on the has not altered for 15 years at some time between January 1, plus Fort George development, when it was reduced from 20p, 1938, and June 30, 1957, and £100,000-plus. But estate agents in the £ to the current 20p,



Southerndown, St. Martin's, Guernsey, pleasant late Victorian house with five bedrooms, four bathrooms, two living-rooms and a workshop. £150,000. Agents: Swaffer Read and Co., St. Ann's Place, St. Peter Port.

also was occupying a dwelling I spoke to on a recent visit say and medical services on July 31, 1968.

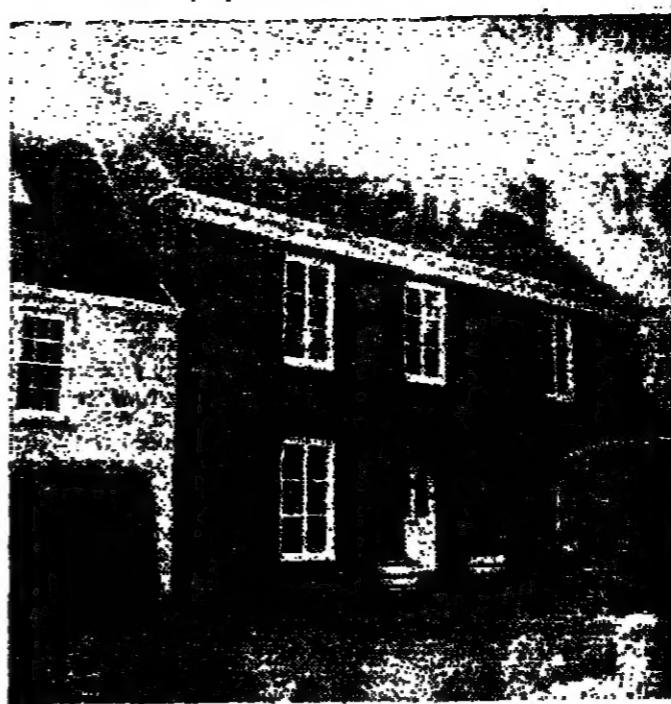
This sector can buy on the initial capital outlay because "Local Market"—a newcomer "pleasant living in a low-tax area is what they are after." It is restricted to "Open Market" properties, unless a person can As on the mainland, sales in operation, and no maintenance fees are chargeable to being a essential worker. This is put past two and a half to three patients in general, geriatric and psychiatric hospitals.

For those who want a spot from July 31, 1968, there is a definite increase this year on last season's sales, all from U.K. buyers."

His office at 11, Smith Street, St. Peter Port, issues an extremely useful free booklet called *Settling in Guernsey*; it is described in the National

Trust book as having a very good heavy-fluted Doric columnar porch; nevertheless it has been considerably altered over the years, "its elevation confused by many slightly haphazard additions," laments Mr. Brett.

But the interior retains much of its original spaciousness, and the flat has three large rooms, too, which means that there is life, cost of living (although only a pool of about 2,000 open there is VAT, extra freight draw. Many appear fairly price similar in price or more to fairly ordinary detached those in England), government rates, taxation (the rateable value are available for more luxury-style bungalows. States of Guernsey levies its residents; the latter defined as from £45,000, with reproduction own rate of income tax which anybody who lived on the island Georgian-style residences on the has not altered for 15 years at some time between January 1, plus Fort George development, when it was reduced from 20p, 1938, and June 30, 1957, and £100,000-plus. But estate agents in the £ to the current 20p,



Traditional Guernsey granite farmhouse, Le Ropes au Coin, St. Martin's, dated 1604, with an adjoining pink-rendered guest wing. Accommodation totals six bedrooms, four living-rooms and two bathrooms. £160,000 freehold. Agents: Lovell and Partners, 11, Smith Street, St. Peter Port.

two bathrooms, kitchen-break-four living-rooms and three fast room, central heating, bathrooms. Price £100,000. garage, its own ground-floor Southerndown, Rocher Road, entrance and secluded garden. St. Martin's, is a pleasant late 21-year lease at a rent of £1,000 a week with five bedrooms, four rooms. Further details from the bathrooms and two living-rooms, owner Basil Moore, La Fontaine, Rues des Fontaines include a herb-bed, greenhouse with peach and lemon tree and

The old granite built two vines, a workshop and a Guernsey farmhouses are particularly attractive, and to my into a swimming pool. The mind if you can afford one, the southern slope agricultural land scarcity and interest value is of 20 vergées (8 acres) is let worth paying for as against the on an annual basis for grazing.

Price £150,000 through Swaffer Read and Co., St. Ann's Place, the 17th century Le Grand St. Peter Port, who will send Court at St. Saviours, with the booklet, *A Guide to Living in Guernsey* to serious inquirers.

The easy-to-look-after gardens with peach and lemon tree and

Miller, Clements and Co., 19, Mansell Street, St. Peter Port. The easy-to-look-after gardens with peach and lemon tree and

At St. Sampson, R. Domaille

Another attractive farmhouse is Le Repas Au Coin in the pretty hamlet of La Fosse in the parish of St. Martin's. The has a selection of property arched doorway has the date ranging from an interesting 1604 on it, and there is an period house with a Minton adjoining staff or guest wing, tiled hall, wine cellar, tower, Between the two the accommodation adds up to six bedrooms, various freehold restaurants.

A colleague bought a London apartment last month. It was in the area he wanted, in the right price bracket had the amount of accommodation required, and most important for him, a large terrace where he can indulge his passion for cultivating pet plants. It was not found overnight though, it took over 18 months diligent search even with the proliferation of flats on offer in the buyer's market of the past year or two. He put his name on the books of a half-dozen estate agents who specialise in London flats, viewed over 100 places for sale, and finally stumbled on his choice by chance.

The porter where he had just viewed "something totally unsuitable," told him of one for sale in the next block. He rushed round immediately, found it was what he wanted, and made an offer subject to contract straight away. It was accepted and an early completion was required by both parties. The transfer of the lease was effected in less than a fortnight after the contract was signed, instead of taking the usual month which shows that solicitors can move fast if both sides insist.

Perseverance is still the name of the game for property hunters, and you cannot just sit back and wait for printed particulars to come through the letterbox. Anyway, in these times of high cost of postage and other costs, estate agents are not so generous in sending the out, particularly in the London area.

"It is not only the cost," claims Richard Berry, who set up office recently at 144-6 New Bond Street, W1, does not always put his address in advertisements, only the telephone number, 01-499 8322. "We find that the prospective purchasers prefer to ring up, and if they are serious buyers against just lookers, they want to go along and see a property the same day, without waiting for written details."

As far as London apartments are concerned, there is another change in selling technique from a few years back. "Many people now prefer to buy places that are unmodernised. It means that they can have work carried out to their own taste, not the landlords, and can save some of the cost by doing minor alterations and decorations themselves," says Berry. "The old days when companies bought a block to 'break-up,' literally throwing out all the old fittings and spending money lavish conversion, are over."

For the last 24 months Berry has been successfully selling apartments "in poor condition, but not clapped out," in a turn-of-the-century mansion block, Berkeley House in May Hill. He points out that a purchase price of £10,500 to £30,000 according to size, for a 99-year lease in Mayfair is much lower than normal because landlords have not had to tie up money at high interest rates when converting. On a 1 and 1 flat which sold recently at £12,500, purchasers had to spend another £2,000 or so having the bathroom and kitchen professionally modernised, and they painted up the sitting-room and bedroom themselves. One drawback in this market of course is that if someone needs a full-scale mortgage, building society is only going to advance on the bad price, so some additional cash will be needed for the extra.

It is a similar story on the western outskirts of London, where Gross, Fine and Krieger Chalfont, of Princes Street, W1, have apartments for sale in seven 1930s blocks near Putney Heath. A three-room flat could cost about £12,000 with another £2,500 to £3,000 required to put in a new kitchen and bathroom, rewire and so on.

Another change in the flat market generally is reflected in the discounts offered to those who are regulated tenants. The average discount now is about 25 per cent.

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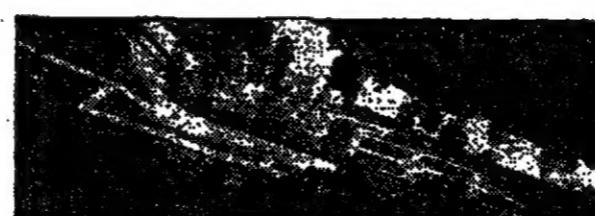
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Freehold

### AGRICULTURAL INVESTMENTS

Comprising Three Farms and an enclosure of arable land, all let to substantial and long-established tenants and being mainly good arable holdings with some grazing marshes. To be offered as follows:

Lot 1 Hall Farm, Southwood. — 386 acres

Lot 2 Staline Farm, Tumwell. — 243 acres

Lot 3 Grange Farm, Brightling. — 105 acres

Lot 4 Land, Southwood. — 36 acres

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Approximately 12,000 sq. ft.

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Close Underground station. Tel: 01-821 5597. Weekend.

ital pl

## HOME NEWS

## ONE OF BRITAIN'S VANISHING RESERVOIRS



## Aluminium products despatch up 16%

Financial Times Reporter

ESPATCIES OF aluminium semi-fabricated products in the first six months of this year were up by about 16 per cent on the same period last year, as the strong recovery in demand gets under way.

The latest figures published by the Aluminium Federation in Birmingham show that total despatches of rolled and extruded products in the six months to June totalled 202,000 tonnes, gains about 174,000 tonnes in the same period last year. In the January-June period, total despatches came to about 318,000 tonnes.

June figures published by the

industry show that production

in the industry continued at

recent higher levels with total

output of primary aluminium

from Britain's smelters at

5,553 tonnes imports at

4,149 tonnes were down on the

high figure of 19,552 tonnes in

May but were still substantially

up on last June.

Despatches of primary

aluminium at 45,652 tonnes were

down on the 57,000 tonnes

average despatch figures for the

preceding three months.

But this probably reflects de-

clining at the start of the hol-

iday period rather than any slow-

down in the rate of recovery in

demand from the important

aluminium-using industries such

as motor vehicles, packaging and

building.

In June last year, primary

aluminium despatches amounted to

29,000 tonnes.

Production of secondary

aluminium—reprocessed from

scrap—amounted to 15,637 tonnes in June, a drop of about 1,000 tonnes on the previous month, up by about 1,500 tonnes on the figure for June 1975.

In semi-fabricated products, despatches of rolled products

rose to 19,951 tonnes (17,470 tonnes a month earlier).

In June's total came to 73 tonnes—1,000 tonnes up on May figure and nearly 4,000

tonnes up on the same month in

5.

Uthansa flies

0% more

passengers

Lorne Barling

UTHANSA, the West German

airline, yesterday re-

leased significantly improved

figures, with the number

of passengers carried in the

first year exceeding 5m. for the

time.

Passenger flights increased by

8 per cent, from 4.8m. in

the first half of last year to

Air freight increased by

10 per cent, with more than

100 tons carried in the first

months of this year.

Exports

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Terms of trade

Oil balance

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Terms of trade

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## THE FINANCIAL TIMES

(Established 1821)  
INCORPORATING THE FINANCIAL NEWS

(Established 1854)

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SATURDAY, AUGUST 14, 1976

## With a grain of salt

IT IS seldom that economic indicators, however well adjusted for this and that by the official statisticians, can be taken literally at their face value—which is one reason why the initial response of the markets is so often perverse. Yet it is equally seldom that half-dozen major indicators are published in a week, almost all of which are more or less misleading as they stand. Perhaps it is as well that the stock market, at least—the foreign exchange market has come suddenly to life again—has been overcome by silly season lethargy.

First, the production index for June showed a drop of 2½ per cent. to its lowest level for 1976 while the index of manufacturing production alone fell still more by 3½ per cent.

If to confirm the picture of sagging economic activity, moreover, the index of retail sales for June was revised downwards from 107 to just over 106 against an April/May average of 107.1. Yet the production figure is almost certainly a statistical aberration, due partly, perhaps, to changes in the pattern of holidays which have not yet been taken into account—since all the other evidence, including the latest jump in bank advances to industry, suggests a continuing if more gradual rise in activity.

## Inflation outlook

As to personal consumption, though there is certainly no boom, credit sales of cars are continuing to rise and the level of spending should be pushed up, for a time at least, by the reduction in income-tax rates now coming into effect.

The level of real disposable income, however, depends not only on the movement of gross pay (due to be held back by pay restraint and boosted by higher overtime) and the reduction in direct taxation but on the level of prices.

Since the prices paid by manufacturing industry for raw materials and food rose by only 1½ per cent. in July and the prices charged by industry for sales on the home market, though higher, were up by only 1½ per cent., it might seem that good progress was being made towards getting inflation under control—especially since the retail price index for July turns out to have risen scarcely at all on the month. The situation, unfortunately, is more compli-

cated than that. The very small increase in raw material prices last month was due mainly to the sharp recovery in sterling, the continuing modest rate of increase in home sale prices to the fact that earlier increases in raw material prices have yet to work their way through; and the steadiness of the cost-of-living index to lower prices for many seasonal foods. The best guess about what will happen to retail prices over the next few months is that the year-on-year increase will remain around the present 13 per cent. (it may even rise temporarily), with the aim of single-figure inflation now moved some months forward to the late spring of next year.

## Export pause

Finally we come to the July trade figures published yesterday, which showed a very sharp jump in the visible deficit from £364m—itself a larger figure than for some time—to £524m. This figure made for a further drop in sterling, itself already caught up in a currency flurry centring round the French franc and the German mark, even though the Prime Minister had given early warning of the fact that there would be a special cost in the month of over £100m, for North Sea oil equipment; it seems that no other major North Sea installations are due for delivery this year and that the July import figures were also swollen by erratically high arrivals of oil and of ships built abroad.

Apart from the rise in imports, however, there was a drop in exports, much more marked in terms of volume than price. Even if this is a freak, a comparison of the last three months with the previous three shows a volume increase in exports of only 1 per cent. but one in imports of 9½ per cent., with imports of industrial materials actually down and those of finished goods, especially machinery, sharply up—and this at a time when the terms of trade are moving against us and likely to move further in the same direction. The picture stands in strong contrast to the optimists about exports shown by surveys like that of the Confederation of British Industry. One must hope, if the deficit is in fact to be no higher this year than last, that it is right to take the movement there would have been no rate changes at all.

What hit them was a sudden and sharp deterioration in their high interest rates and facility fees, has meant that many of the entrepreneurs of this country are being forced out of business and are facing economic ruin just when a little assistance will see them through.

I suggest that the proposals put forward in the White Paper will increase the monolithic stranglehold which the large lending institutions have on the country's business interests, and for organisations which are usually regarded as the pillars of free enterprise and which are politically to the right of centre this is a matter of some concern. The general assumption seems to be that small investors no longer have the money to just because they refused to take the Borthwick issue. But why should they put money into companies they have never heard of when the institutions with their expertise refuse to support them?

I don't think the small investor is either disillusioned or lacking in cash but he (or she) is certainly a wiser person since the fringes banking and property debacle.

We are now told that the Willis Faber issue is a different kettle of fish in view of the already considerable institutional support, but I wonder how C. E. Heath came to the market and nobody wanted to know. Finely cut issue terms of the Wilkin-Snow flotation in those heady days was another to cause many red faces in the City's marble halls.

There is only one thing that will bring back the small investor to stock markets, which I have yet to see mentioned by any commentator, and this is a fall in American interest rates. London would immediately follow, bringing an advance in gilt-edge stocks which would carry the whole market higher.

The small investor would then show (as he did in the winter of 1974-75) that he is not the poverty-stricken person he is thought to be.

William T. Empson, Letheringsett, Barton Meadow, Pelynt, Looe, Cornwall.

## Depositors

From Mr. W. D. Deed. Sir.—The emphasis in the banking supervision White Paper (August 4), is on the protection of depositors, and the need to

IT LOOKS increasingly likely that building societies have received a declining share of savings since April. Michael Cassell reports

competitive position, brought about by circumstances well beyond their control. For

the use of liquid resources within days of their own decision to trim rates, the April

mortgage rate for the first time since 1971.

To a public which has, over the last two years, become accustomed to hearing only of the building society movement's continuing success in attracting and lending out funds, the news will come as something of a shock. Already the societies have started a low-key campaign to pave the way for the changes which most believe must now come within the next

four months after reducing the mortgage rate for the first

time since 1971.

The Bank of England was forced to raise minimum lending rate from 9 per cent. to 10.5 per cent. and when this reduction in the absolute volume of liquidity held up societies

MLR was pushed up to 11.5 per cent. Money market rates moved up in line with

MLR and the banks, although

they held their deposit rates

for the first increase had to principal of £200m, which

means the balance must be

financed by net receipts,

three-month deposit rate—the interest credited to investors' three months.

By June, the local authority

rates could ease slightly with loans arranged by the societies

an improvement in the position and this year the figure is

of the pound, helping to restore

the societies' competitive position, there is also a fairly wide

spread conviction that any such

movement would be short-lived as

the economy begins to recover

from now on can only intensify.

The chances, in short, of

societies being able to regain

their old supremacy in the sav-

ings market, without any action

on their part, are being largely

discounted.

But what makes a decision

to increase societies' interest

rates increasingly likely is

strong desire on the part of

the next few years, certainly to over 80 per cent.

Societies also believe that the increasing readiness of local authorities to sell council housing to tenants will place greater demands on the movement's financial resources, as will their efforts to provide the mortgage funds which local authorities can no longer make available because of the cuts in public expenditure.

They do not believe that the prospect of a higher mortgage rate will kill off the demand, they are so anxious to satisfy, although there is every chance that the next increase will take the gross cost of a home loan to the highest point ever. While it is early days—no decision on next year's lending programme, and hence the type of interest rates required to support it, will be taken until October or even November—the mortgage rate could well pass the 11 per cent. level which obtained until May.

The favourite figure now being canvassed is 11.5 per cent., although some executives believe that this would not allow sufficient room for a worthwhile increase in the investors' rate. A 12 per cent. mortgage rate, they say, would enable societies to introduce a full 1 per cent. rise in the net rate paid on savings which should have a fairly dramatic impact on the flow of funds.

Whatever figure is eventually chosen, some societies believe that if less emphasis was placed on the gross mortgage rate, which nobody by definition pays, and new and existing borrowers were reminded more forcibly of the effective interest rate, opposition to mortgage rate increases might be somewhat less vociferous. As one society pointed out this week, the introduction of an 11.5 per cent. mortgage rate now would actually leave the borrower paying less than he did at one stage for his 11 per cent. loan because subsequent changes in the basic rate of income tax have increased his tax relief levels.

It is clear, however, that the Government did at the societies' way and higher interest rates alone would be held responsible for any further deterioration in a house building programme which is already in a bad way. The knowledge on the part of the builders that another severe mortgage restraint is on the way would kill off the remaining confidence in the market and now housing work fall even further.

In the past, the societies had to make some decisions and those abdicate will prove to be exception. Their job is to encourage the of home ownership and they naturally wish to more than ever.

They should ensure, in that their aspirations lose contact with reality, despite their protests if a borrower does well, although they at least have until recently offered him the best of a bad list of alternative places to deposit his money.

In 1975, there were 655,000

best yardstick for the general level of interest rates competing with the building society share rate was averaging 11.4 per cent. against 9 per cent. only three months previously. The societies' favourable investment differential over most of its major competitors had been quickly eaten away and investors were quick to look elsewhere for a better return on their money.

After a record-breaking first quarter for 1976, in which net receipts reached £1.04bn, the level of new savings in the second quarter dropped back to £885m. While the combined half-yearly total still represented another all-time record, the second half outlook had become far less encouraging.

So the building societies now face the fact that they will be unable to continue lending at anything like the volume recently achieved unless the inflow of funds can be boosted. But for the high level of liquid funds which have built up over the past 18 months and is now being used to supplement lending, the rate of home loans

most executives not merely to maintain the current high levels of lending but to aim for a further significant expansion in mortgage business next year.

Early last month, Mr. Raymond Potter, chairman of the Building Societies Association, spelt out the official policy line. It was that, despite the problems societies faced in attracting funds, continuing growth in mortgage lending was the number one priority and that the movement would resort to higher rates if this was necessary.

Exactly how much money the societies intend to lend to home buyers next year has not yet been decided and although some increase over the 1976 figure is expected, a repeat of this year's growth rate is not being considered as a realistic target.

The building societies point to the continuing and, so far, apparently insatiable appetite on the part of the public for housing finance as justification for their determination to boost lending still further.

In 1975, there were 655,000

considerable saving of time and cost could be achieved by incorporating scales of salaries net of tax linked to a code appropriate to the employee's family circumstances.

Avoidance of moving money from one Government pocket to another could lead to a further reduction in administrative and clerical staff. Clearly anomalies would arise but these need not be insuperable.

Michael Garrett, 641, Grand Buildings, Trafalgar Square, W.C.2.

Management

From The Head of Management Education, British Institute of Management.

Sir.—Few people would disagree with Mr. R. Noble (August 2) when he said that he was confident that many of our investment problems could be resolved if managers of the right quality and training were available in the public sector. The British Institute of Management certainly regards the provision of an adequate supply of suitably trained managers to join the ranks of the professionally dedicated and competent men and women already at work in our industries as a key factor in the recovery and long-term growth of the British economy.

To his suggestion that BIM might "sponsor a training programme on the scale required," I should point out that the Institute does offer a series of Oxford courses for managers at various levels of seniority as well as seminars, conferences and industrial programmes, which are aimed at improving management knowledge and skill. As there are over 1m. managers in the U.K., and about 75,000 new recruits to management each year, the management education task is too great for any one organisation. The Institute has therefore long adopted a policy of influencing and seeking to improve the general standard of management education and training provided by the many other organisations in this field. These include Universities, colleges and private institutions throughout the country.

John Wilson, Management House, Parker Street, W.C.2.

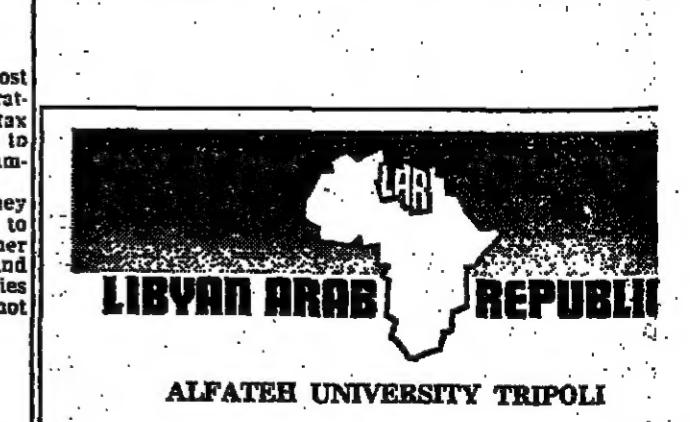
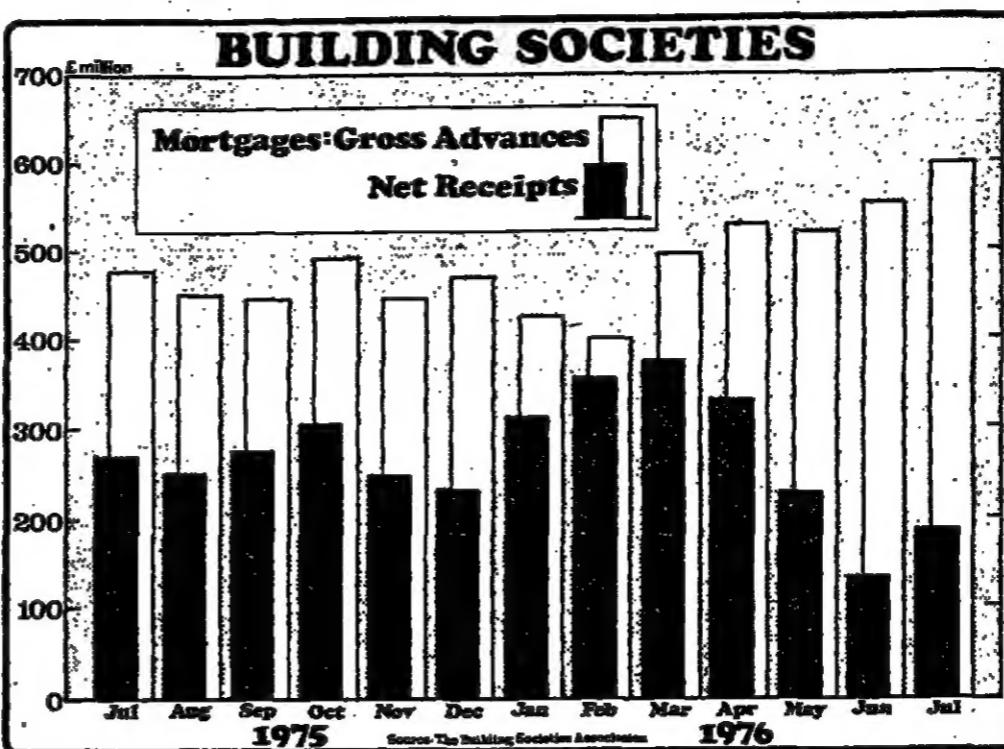
Pretaxed

From The Chairman, Michael Garrett Group.

Sir.—As large numbers of the working population of this country are employed directly by the Government or local governments and their agencies, it has occurred to me that a very con-



Mr. Raymond Potter, Chairman of the Building Societies Association.



## INTERNATIONAL TENDER NOTICE

## Contract for Supply and Delivery of Furniture for Dormitories

The University Tender Board invites international specialist manufacturers of furniture who wish to tender for the above works to write to the Secretary of University Tender Board, Alfateh University Tripoli, Libyan Arab Republic, with full details of current and projected projects, together with the approximate value thereof, and supply evidence that the manufacturer technically and financially capable of executing the work. Applications are also required to submit any brochures, literature considered relevant. Tender Documents will be sold to manufacturers who have made written application and are considered suitable.

The works generally comprise:

The manufacture, delivery and installation of furniture, fittings and miscellaneous equipment for bedroom, common rooms and study rooms to the twelve dormitory blocks situated on the University Campus, Sidi Mezri on the Houmt Road, approximately 4 km. east of Tripoli.

Tenders will be required to submit samples of a whole range of furniture offered, together with descriptions, illustrations and specifications, with the tenders.

Tender Documents will be made available on 15th August 1976 until 15th August 1976 against a charge of LD.2500 (Two Hundred and Fifty Libyan Dinars). This charge is not refundable. Tenders must be accompanied by guarantees of LD.5,000,000 (Five Thousand Libyan Dinars) in one of the forms prescribed in the Tender Document. Tender Documents will be returned to the Secretary of University Tender Board on 9th September 1976 at 12.30 p.m.

MAIN TENDER BOARD  
ALFATEH UNIVERSITY TRIPOLI

Michael Lafferty discusses the decline in stockbroking business and its effect on the Stock Exchange

# Where have all the brokers gone?

IE LONDON stockbroking community is now going through an all-time peak in worst financial crisis since the month of 315.6 and the 1975 astute bear market at the monthly average of 240. The overall number of bargains was 1 of 1974, when the FT Index reached a 20-year low of 146, down to 349.87, the lowest number recorded since December, 1974.

The average value of each bargain, £17,284, is now noticeably higher than in previous years, thus underlining the extent to which the small private investor has left the market.

Industry, which is known to employ some 24,000 people, is due for another shake-up, many brokers believe, the extent to which the small private investor has left the market.

July turnover in Ordinary shares—always much less in one large firm thinks—volume that the very actively traded market in Government stocks—contracted a further 10 per cent to 50,000, while total equity dealings were down 27.5% on the month to 250,437, the smallest figure since September, 1974. The value of Ordinary share turnover is now only 16 per cent of the total compared, for instance, with over 22 per cent in 1971.

Government stocks accounted for 74 per cent of turnover.

Brokers need an active market to make reasonable profits, the fact is there is not enough business to go round. Whether the market is going up or down, experience tends to be that revenues, and therefore profits, expand when markets are rising. However, market prices have been sluggish lately. But at such business levels, very few brokers can be making adequate profits. Privately many brokers say they are even having difficulty meeting their expenses.

Clearly those firms with large research departments must be feeling the pinch particularly hard and so must those depending on private clients for a large amount of their business.

The FT turnover index of All Large research-oriented firms

say that institutions expect this sort of information as part of the comprehensive service they require. Nevertheless, if 1974 is anything to go by, research can be high on the list for cost-cutting.

It is now said that institutions account for about 70 per cent of total Stock Exchange business. According to evidence submitted to the Diamond Commission, the proportion of quoted shares held by individuals decreased from 59 per cent to 42 per cent between 1963 and 1973, while that for pension funds and insurance companies increased from 18 per cent to 28 per cent. The indications are that the market will continue to become more and more institutionalised.

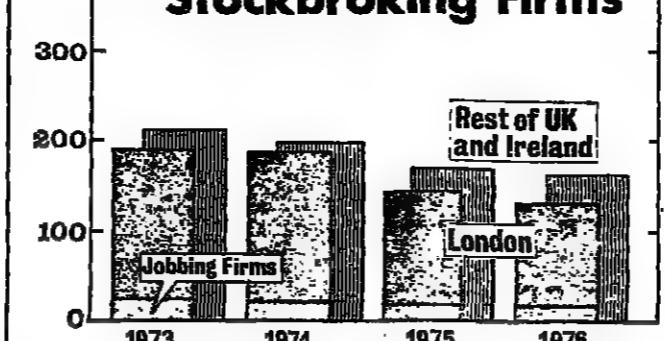
Mr. Somers Gibbs, a leading stockbroker and chairman of Capel-Care Myers, earlier this week commented that stock exchange firms are increasingly failing into three distinct groupings, depending on their size and services. He expects to see a top tier of very large firms emerging, offering a full service to all categories of client. At the other end of the scale there will be smaller partnerships offering traditional stockbroking services on a very personalised basis. In between there would be a group of middle-sized firms with acknowledged expertise in one or more specialised areas.

Many other brokers broadly agree with Mr. Gibbs' expectations, although they are doubtful about the viability of a big middle tier of medium-sized firms. Several brokers feel that any highly-specialised firm with a reputation in its field will survive, but they see little long-

## The Decline of Stockbroking



## Stockbroking Firms



term future for the non-specialist middle-sized firms.

It is also argued that the investing institutions would prefer to have to deal with only about six firms with research capabilities in any one sector.

Furthermore the institutions are now said to be giving clear indications that they want, and are determined to get, a high level of service.

Some are sceptical about the long-term future of the small partnership operation. "It's a nice idea but I don't think it is going to continue," commented a partner in brokers Savory & Milne.

Some Stock Exchange members say that smaller firms will tend to have better survival potential when they are based outside London, gaining the benefit of cheaper accommodation.

It is these "country" brokers who are particularly dependent on private client business, and some experts

reckon they are still the most

profitable per capita in the market's wholesalers of sable if business ebbs too far stocks—can also be expected to in other sectors that jobbers might reconsider their position in further markets.

Looming behind the direct problems of the Stock Exchange—broking and jobbing firms through lack of turnover in subdued market conditions is the competing pull of the new rival share dealing concern, ARIEL, which was set up in the last few years by the accepting houses, the top 17 merchant banks.

ARIEL, which fixes up deals without going through the stock market in the usual way, has so far only won a limited part of the investing institutions' business away from stockbroking firms. But its presence and potential increase in activity cannot be neglected by the Stock Exchange.

ARIEL currently has about 80 subscribers and serves about 1 per cent of institutional share deals. Its average bargain is £60,000.

The arrival of ARIEL has not had the dramatic effect on the business of brokers as had hitherto been feared. What has happened is that for a variety of economic and other reasons, the level of stockmarket activity, in the numbers particularly of the large firms, would not be particularly welcome. Nor are they generally expected that this would tend to reduce competition undesirably.

However, where dealing in a particular sector proves unprofitable or not worthwhile, certain jobbers may remove that area from their books as has recently happened with the withdrawal of Wedd Duracher Mordaunt and Stocken Lazarus from the South African gold shares. It is always pos-

itive for some time now brokers have been casting covetous eyes on the corporate finance area, which has traditionally been dominated by the merchant banks. A few broking firms, however, have done well from the big flow of cash-raising company rights issues in 1975 and this year.

On the other side of the Stock Exchange community, jobbers—

## Forte's to fight 119 summonses

Forte's catering group, is to contest 119 summonses alleging dirty and unhygienic conditions at two West End establishments, its solicitors said yesterday.

The summonses, brought by Westminster City Council, are against Forte's and Co. Regent Street, in respect of the Incentive, Leicester Square, and Central Trust Houses Forte Catering in respect of The Cockney Pride public house, Jersey Street.

They allege the presence of mice droppings and, in the case of The Cockney Pride, cockroaches and swarming flies.

## LABOUR NEWS

### Ferrybridge Six awarded £16,774

BY OUR LABOUR STAFF

INDUSTRIAL tribunal yesterday cut by 10 per cent the amount of compensation payable to the six Ferrybridge power station workers unfairly sacked refusing to join a recognised union.

The decision was made on the grounds that the men were only to blame for their own dismissal.

The Leeds tribunal, recommended after its judgment in favour of unfair dismissal, to legal arguments over the award of compensation, awarded the six a total of £7.75.

The awards made were: William Sarvent, general secretary of the breakdown Electrical Supply Union, to which the men belonged, £3,078; Mr. Desmond Mercer, £1,385; Mr. Treharne, £1,556; Mr. Clifford Herbert, £2,610; Mr. Robert Day, £1,935; and Mr. Conradi, £5,200.

Mr. Sarvent, the tribunal chairman, defended the decision to give the men's compensation the grounds that they had given adequate opportunity in a recognised union.

Mr. Paul Nicholson, leader of the Confederation of Employees' Organisations, later described the tribunal's judgment on the character of the men as "irrelevant and vindictive."

Since early 1965 the tribunal has been systematically purged of its members, the Department of Employment, all employees' representatives from politically independent unions. This leads inevitably to the suspicion that the tribunals are more concerned about the politics of trade union membership than with justice."

THE TUPE leaders to meet

OUR LABOUR STAFF

ERS of the 507,000-member Greater Manchester, decided to meet in London to call off their strike in support of the social services department as part of the Government's job creation scheme.

The workers, who had feared that the strike-leavers might be compelled to carry out their own jobs in the event of any redundancies, agreed to accept the scheme temporarily.

A group of eight NUPE members working for the Psychiatric Rehabilitation Association in East London claimed yesterday they had been sacked for staging a one-day strike to put forward at the TUC to remind Congress of its intent to oppose the cuts to E members in Rochdale, gain union recognition.

ixhall men wait till September

representing some 27,000 body created by the Employment Protection Act—under the Equal Pay Act after two years of negotiations had failed to secure equal pay.

STRIKERS MARCH Several hundred trade unionists marched through Swinton, Manchester, yesterday in support of workers at Electro-Automatic who have been on strike since January. The strike, which is over the dismissal of 25 workers, has the official backing of the Amalgamated Union of Engineering Workers.

SOCIAL SUPPORT Social workers in East London went on strike yesterday in support of a colleague who the local women members of the Local and Municipal Workers' Committee—the final appeal—was unfair.

## Rees rejects calls for new security measures

BY GILES MERRITT

MR. MERLYN REES, Northern Ireland Secretary, yesterday rejected growing Ulster Unionist demands that he should alter his security policies in the Province.

In a long statement from Stormont Castle, he made it clear that he is sticking by his long-term strategy of restoring normality and the rule of law to Ulster as the only way of making terrorism unsatisfactory.

With this week's intermittent, continuing rioting in west Belfast and Londonderry, and the death toll averaging one person killed every day of the period, there are widespread fears a determined new Provisional IRA terror campaign.

Mr. Rees has, therefore, been coming under heavy pressure from Unionist politicians and moderates in the centrist Alliance Party to re-introduce internment without trial and at the same time announce proscription of the IRA's Provisional Sinn Fein "political wing."

His statement dismisses the return of internment, which he ended last Christmas almost 4 years after it was introduced. He said detention was "counter-productive" and added: "Although the powers remain

Mr. Rees said that people who called for new measures displayed "their ignorance of the powers that, in order to deal with terrorism, are already available in Northern Ireland." He pointed out that next week maximum sentences for firearms and explosives offences are to be doubled, and went on to detail the various emergency powers already in use in Ulster.

Although Provisional Sinn Fein senior officials until recently maintained controversial contact, is not to be banned, its activities are likely to be maximum out that next week maximum sentences for firearms and explosives offences are to be doubled, and went on to detail the various emergency powers already in use in Ulster.

There has been speculation that the Government was planning to make use of the sweeping conspiracy law. In his statement Mr. Rees drew attention to recent remarks in the House of Commons by the Attorney General that "made it abundantly clear that there is no bar to its use in Northern Ireland."

To drive the point home, Mr. Rees went on to indicate that the so-called "Godfathers" of the terrorist planners have frequently attacked for instigating violence, are to be a major target. Those who aid, abet, or plan an offence, he emphasised, can be charged as principals together with the actual perpetrators.

The Stormont Castle statement was clearly aimed at calming the Protestant community's growing resentment over security policies they believe are inadequate to cope with the heightened security measures.

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# COMPANY NEWS + COMMENT

## Pifco pays more on record £1.14m. profit

AFTER BEING down from £0.42m. to £0.4m. at midway, pre-tax profit of Pifco Holdings, the electrical appliance concern, increased from £1.08m. to £1.14m.—a record—in the year ended April 30, 1976.

Stated earnings are 11.4p (10.37p) per 20p share and dividend total is up from 2.10p to the maximum permitted 2.416p, with a 1.725p net final.

Profit is struck after investment income up from £101,700 to £228,600 and depreciation of £45,200 (£47,000).

Trading profit is 11.4p (£10.37p) per 20p share and dividend total is up from 2.10p to the maximum permitted 2.416p, with a 1.725p net final.

Profit is struck after investment income up from £101,700 to £228,600 and depreciation of £45,200 (£47,000).

1975-76 1974-75

Trading profit ..... 100,400 96,400

Investment income ..... 101,700 101,700

Profit before tax ..... 228,600 145,200

Net profit ..... 107,800 51,500

Dividend ..... 120,000 100,000

Retained ..... 448,200 408,600

### INDEX TO COMPANY HIGHLIGHTS

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• comment

Pifco appears to have everything in its favour at the moment. Its concentration at the more recent smaller end of the electrical appliance range enabled it to profit from a growing trend last year despite very difficult conditions. The annual profits have risen by 41 per cent pre-tax after a 31 per cent drop at half-time and the "A" shares went up 3p yesterday to 51p. Sales volume was beginning to look up in the second six months of the year and growth seems to accelerate further in 1976-77 following the halving of the luxury goods VAT rate in the April budget. Backed up by a very strong balance-sheet cash is now apparently well in excess of the £1.7m. level of 1974-75 and there is still no debt. The shares yielding 7.4 per cent, on a p/e of 4.4, have their attractions.

## Tace down and omits interim

IN THE LIGHT of the first half results showing a profit down from £160,000 to £25,000, the directors of TACE are not proposing an interim dividend on the Ordinary or Preferred Ordinary.

The recommendations as to dividends for the year to Sept. 30, 1976 will be made when the results are known. In 1974-75, the company cut its Ordinary dividend from 2.02p to 0.8p, following a decline in profits from £700,000 to £404,000.

Although turnover improved by £400,000 in the half year, increased costs were not fully recovered and accordingly the improvement in profits expected when the 1975 annual report was published did not materialise as quickly as expected.

Management accounts for the third quarter show the profits for the period are similar to those of the whole of the first half, and the directors anticipate that this trend will continue.

The replacement loan with the Dutch bankers has been taken up. Full amount of the deferred purchase consideration for the company has been placed in escrow, and legal action is being taken to resolve the dispute concerning the total consideration.

Half-year

Turnover ..... 1,017,100 1,017,100

Trade profit ..... 4,841 4,840

Net interest charges ..... 251 302

Taxation ..... 186 137

Dividend ..... 43 87

Net profit ..... 220 105

Excess debt ..... 7

Attributable ..... 20 71

Mining Supplies

MINING SUPPLIES continues to be put on the market in the diversify in its specialised fields autumn. The shares are at their low for the year of 8p, at less

## Results due next week

Next week's company news announcements will be dominated by the heavyweights with Unilever and Phillips Lampson both expected to report first half figures. Royal Insurance, Tube Investments, F. W. Woolworths and Lomira are also on the interims list with London Brick.

A strong recovery in pre-tax profits is expected from Unilever which reported its first half results on Wednesday. The edible oil division suffered from falling prices in 1975 but this time the market has been more steady. The African trading interests are thought to be continuing their growth, particularly in view of the booming Nigerian economy, while the oil and mineral interests have been helped by ice cream sales. Against these considerations are fears that the strength of the first quarter sales was due to a restocking process which will be less marked in the second quarter. Brokers are going for about 22p. (102.5p).

Demand for consumer products on which Phillips Lampson Holdings depends, fell drastically in 1975. In the first half of this year some recovery has taken place but, as European countries (especially Britain) try to have export-led rather than consumer-led booms, spending has not returned to earlier highs. Nevertheless, the profits to be announced on Tuesday, will

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# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

Dentsply International, a major U.S. manufacturer of dental products, has won over the Board of AD International, the U.K. dental supplies group, by increasing the value of its cash and an stock offer for the latter by 10p to 126p nominal per ADI share; this puts a value on the whole of the equity of £19.3m. The new terms comprise 80p in cash (against 70p previously) plus an unchanged 40p nominal of 9 per cent. Sterling/Dollar convertible Loan, 1981-86, for each ADI share. The bid submission dates back to August 1974, when Dentsply approached ADI with an indicated offer worth £15m, but this received a cool reception and was finally dropped on being referred to the Monopolies Commission. However, the Commission considered the merger to be in the public interest and a new agreed bid of 70p cash plus 40p of the loan stock per ADI share a total of £15m, was made in December last year. Because of financing troubles, now income, Dentsply withdrew its offer following January only to renew it on identical terms a month ago. Due to the lapse of time and changed circumstances between the offers, the ADI side campaigned strongly for the higher terms.

The largest British manufacturer of fixtures and fittings for furniture industry, Unerman Holdings, which is two-thirds owned by Rexmore, is recommending a take-over offer from paint manufacturer Donald Macpherson. An all-cash consideration of 100p per Unerman share is offered, valuing the company at £22.9m. An irrevocable undertaking to accept has been given by more. However, shareholders other than Rexmore will have the option of receiving Macpherson shares to a value of £10m instead of 72p in cash.

Equity Enterprises, the share quotation of which has been suspended since April last year and whose Jacobs Krell banking subsidiary collapsed last November, has reached agreement with Mr. J. Daly, the joint deputy chairman of Equity, and Mr. J. Dawson, the managing director, have acquired Slater

Walker's near-30 per cent. stake in Equity at 3p per share. The cash consideration is being offered to all other shareholders in Equity, valuing the whole issued Ordinary at £223,000. Equity Enterprises' suspension price was 18p and a stock market peak of 268p for the shares was established in 1973.

Company bid for	Value of bid per share	Market price	Value before bid (£m.)	Final date	Acc'tee	Final bid per share	Market price	Value before bid (£m.)	Final date	Acc'tee
Prices in pence unless otherwise indicated.										
Abercrombie Gen.	77d	76	65	4.0d	Castlemere Prop.	77d	70	66	1.0d	D. Macpherson
Artex International	126	123	97	12.5	Monogram Int'l.	77d	50	50	1.5d	Joplings
Arthur Probs.	80d	60	66	33.0d	Sun Life	82d	151	113	2.4d	Pilkington Bros.
Assam Cons.	20	181	181	0.2	National Trust	26	21	16	1.6	Horace Cory
Beyer Peacock	25*	25	22	2.0*	National Chemical Industries	26	21	21	4.7d	Dinkie Reel
Bibby & Baron Central Province	48d	47d	47d	2.0	Low & Bous	77d	70	66	1.0d	Gaskell (Bacup)
Clough (A.)	101	11	8	0.3	Anglo-Line	77d	14	12	0.8	General Accident
Cuthbert (R. & G.)	53d	50	47	0.6d	Neumann Inds.	77d	14	12	0.8	Kingfisher (Pr. Mts)
E. Sussex Engrs.	30d	45	25	3.2*	Kenya Nrd AB	77d	14	12	0.8	Manchester Ship
Elber Industries	203d	180	140	2.0d	Tugayka Cns.	77d	104	83	2.2d	Reed & Smith
Equity Enterprises	3	182	182	0.2	Resco J. Daly & Sons	77d	14	12	0.8	Rentokil Group
FC Construction First Tailor	77d	78	65	2.0*	Norwest Holst	77d	70	66	1.0d	R. Dutch-Shell
Hardman (Thos.)	83d	14	13	0.1d	Prive Casin	77d	70	66	1.0d	Securicor Group
Irish Cinemas Isle of Man	120d	65	65	0.3d	Rak Organis.	77d	14	12	0.8	Smith & Newfield
Keith & Hendren	621d	63	60	0.6d	Douglas Ests.	77d	550	540	1.0d	Squirrel Horn
Kennedy (Allan)	36	28	26	3.0d	Welfare Inst.	77d	550	545	1.0d	TMG Group
Malit Seas.	22d	22	20	0.4b	Ferguson Indl.	77d	550	545	1.0d	Ultramar
Mantle & Garton	170	162	152	0.4	Fla. Ins.	77d	550	545	1.0d	Bernard Wardle
Marta (Tunis)	87	83	70	18.3	Rubberoid	77d	550	545	1.0d	
Metropole Inds.	50*	50	32	0.4*	Terex Corp.	77d	550	545	1.0d	
New Bridge Hldgs.	91d	35	35	0.25	Berisford	77d	550	545	1.0d	
Newton (J. M.)	60*	59	54	2.25*	Harcourt Irsh Holdings	77d	550	545	1.0d	
Odex Racaman	115*	110	70	5.3*	Associated Newspapers	77d	550	545	1.0d	
Pot. Plat.	133d	128	168	32.7	Peterson	77d	550	545	1.0d	
					Zochania	77d	550	545	1.0d	
					Ward & Goldstone	77d	550	545	1.0d	
					Union Platm.	77d	550	545	1.0d	
					Wholesale Fittings	77d	550	545	1.0d	

Company bid for	Value of bid per share	Market price	Value before bid (£m.)	Final date	Acc'tee	Final bid per share	Market price	Value before bid (£m.)	Final date	Acc'tee
Prices in pence unless otherwise indicated.										
Royal Sovereign	82d	50	52	3.6	Dickinson	77d	70	66	1.0d	Robinson
Second Scottish Inv. Trust	68	67d	55	39.2	Scot. Inv. Tst.	77d	50	50	1.1d	
Shephard (E.)	81d	50	50	1.5d	Joplings	77d	113	113	2.4d	
UK Optical	182d	151	113	2.4d	Pilkington	77d	113	113	2.4d	
Unerman Utley (N.W.)	77d	14	12	0.8	Bro. Bros.	77d	14	12	0.8	
Warwick Eng.	26	21	21	1.6	D. Macpherson	77d	14	12	0.8	
Waterfall Westford Elect.	183d	123	171	49.4	Union Platm.	77d	170	170	1.1d	
Wingate Invs.	35*	34	24	5.2*	Hoover Trust	77d	170	170	1.1d	
Windsor & Newton	101d	104	83	4.7d	Geo. Wimpey	77d	170	170	1.1d	
					Letraset	77d	170	170	1.1d	

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£'000)	Interim dividends* per share (p)
Aeronson Bros.	Mar. 31	1,136 (903)	0.55 (0.5)
Auto. Products		3,885 (1,589)	(—)
Carrington Virella	June 30	4,273 (1,837)	0.536 (0.488)
Commercial Union	June 30	17,000 (14,100)	2.325 (2.255)
Corab	June 26	336 (280)	0.3 (0.65)
Horace Cory	June 30	170 (113)	0.2 (0.173)
Dinkie Reel	June 30	71 (95)	0.24 (0.3)
Gaskell (Bacup)	June 30	301 (189)	2.178 (1.98)
General Accident	June 30	13,600 (12,541)	3.15 (2.35)
Kingfisher (Pr. Mts)	June 19	1,890 (1,323)	2.25 (1.625)
Manchester Ship	June 30	2,301 (749)	6.5 (6.0)
Reed & Smith	June 30	226 (27)	1.8 (0.5)
R. Dutch-Shell	June 30	5,337 (3,578)	0.847 (0.77)
Securicor Group	Mar. 28	1,027 (1,022)	0.245 (0.241)
Smith & Newfield	June 18	1,260 (1,082)	0.507 (0.543)
Squirrel Horn	June 30	234 (191)	0.5 (0.384)
TMG Group	June 30	312 (210)	4.063 (3.125)
Ultramar	June 30	5,063 (11,368)	(—)
Bernard Wardle	June 13	292 (29)	0.438 (—)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise indicated.

\* Adjusted for any intervening scrip issue. † For 24 weeks. ‡ Net. § For 34 weeks. || Gross income less L. Loss.

## Offers for sale, placings and introductions

Polymark Int'l.: Placing 1.5m. new Ordinary 10p shares at 32p each.

## Scrip Issues

AGB Research: One-for-eight.

Hales Properties: One-for-five.

## BIDS AND DEALS

### New Norwest Holst terms agreed

Norwest Holst, the building and 19.5p per share asset value, it also criticises the lack of a cash alternative. The bid, which has gained the support of the F.C. Construction of which is two-thirds owned by Rexmore, is recommending a take-over offer from paint manufacturer Donald Macpherson. An all-cash consideration of 100p per Norwest Holst share is offered, valuing the company at £22.9m. An irrevocable undertaking to accept has been given by more. However, shareholders other than Rexmore will have the option of receiving Macpherson shares to a value of £10m instead of 72p in cash.

Equity Enterprises, the share quotation of which has been suspended since April last year and whose Jacobs Krell banking subsidiary collapsed last November, has reached agreement with Mr. J. Daly, the joint deputy chairman of Equity, and Mr. J. Dawson, the managing director, have acquired Slater

Walker's near-30 per cent. stake in Equity at 3p per share. The cash consideration is being offered to all other shareholders in Equity, valuing the whole issued Ordinary at £223,000. Equity Enterprises' suspension price was 18p and a stock market peak of 268p for the shares was established in 1973.

Dividends shown net except where otherwise indicated.

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## Heinz hopes for sales volume rise

WITH the scale of price increases abating, Mr. Henry J. Heinz chairman of the H. J. Heinz

## WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

## Up 3 in decreased trading

BY OUR WALL STREET CORRESPONDENT

MILDLY HIGHER levels were fears that inflation could heat up again in the months ahead, recorded on Wall Street to-day again in the months ahead, although the volume further decreased with investors awaiting the outcome of the Republican Convention next week.

The Dow Jones Industrial Average gained 3.07 to 990.19, making a rise of 4.19 on the week,

FRIDAY'S ACTIVE STOCKS

Stocks Closings on Friday prior day  
Dow Chemical 178,400 243 +1  
Imperial America 123,500 133 +1  
Sony 187,700 97 +1  
Maz. Corp. 143,400 97 +1  
Kress S.S. 146,500 571 +1  
Texas 138,400 571 +1  
Transamerica 120,000 371 +1  
Continental Oil 120,000 371 +1  
Norton Simon 123,500 282 +1

while the NYSE All Common Index, 555.69, was up 4 cents on the day and 23 cents on the week. Advances led declines by a narrow 692-to-623 margin. Trading volume dipped another 1.63m. shares to 13.33m.

A depressing note was the report that Business Inventories in June showed their sharpest rise in 10 months.

Also worrisome was that although Wholesale Prices in July went up only 0.3 per cent, the Industrial Commodities sector of the Index jumped by an 8.4 per cent. annual rate. This prompted

the American Stock Market Value Index added 0.18 at 103.80, making a rise of 0.39 on the week. But declines topped advances by 265-to-251.

Kingstip lost \$1 to \$7—Justin Industries said it purchased a major stake in Kingstip.

## OTHER MARKETS

## Canada firm

With the reception of Base Metals which shed 0.16 to 81.71 on Index, Canadian Stock Markets turned firm in light trading. The Industrial Share Index

rose 0.11 at 100.72, while the

new DMS000, two-tranche Federal Bond issue sold out although it doesn't officially go to market until next week.

SWITZERLAND—Most sectors slightly firmer in quiet trading.

Gold Mines slightly firmer.

GERMANY—Sharply higher on heavy foreign demand stemming from rumours of an impending deutschmark revaluation. Rises reflected strong Foreign orders for companies which are well known abroad.

Banks and Department Stores were strong.

New DMS000, two-tranche Federal Bond issue sold out although it doesn't officially go to market until next week.

SWITZERLAND—Most sectors slightly firmer in quiet trading.

## Indices

## NEW YORK—DOW JONES

Aug. 15 Aug. 12 Aug. 11 Aug. 10 Aug. 9 Aug. 8 Aug. 7 Aug. 6 High Low High Low High Low

Industrial 880,15 887,12 886,78 882,45 881,45 880,09 1,071,81 880,71 1,051,70 41,22  
HomeInds 87,98 87,77 87,75 87,74 87,49 87,98 85,58 85,58 85,58 85,58  
Transport 820,45 820,45 820,45 820,45 820,45 820,45 817,78 820,45 820,45 820,45  
Utilities 91,49 91,00 90,17 89,40 88,27 90,45 85,58 85,58 85,58 85,58  
11-Ind. vol. 15,950 15,800 14,710 14,600 14,500 14,400 13,700 13,800 — —

\* Name of issues changed from July 1.

Ind. div. yield % 3.88 3.83 3.84 4.78

STANDARD & POORES

Aug. 15 Aug. 12 Aug. 11 Aug. 10 Aug. 9 Aug. 8 Aug. 7 Aug. 6 High Low High Low High Low

\*Industries: 118,70 118,65 118,60 118,54 118,50 118,45 118,34 118,30  
Germany: 97,61 78,62 78,62 78,62 78,62 78,62 78,62 78,62  
\*Composite: 104,45 104,32 104,08 104,41 104,45 105,75 105,80 105,80  
11-Ind. vol. 15,950 15,800 14,710 14,600 14,500 14,400 13,700 13,800

Aug. 11 Aug. 6 July 30 July 23 Year ago (approx.)

Ind. div. yield % 3.48 3.46 3.47 3.86

Aug. 15 Aug. 12 Aug. 11 Aug. 10 Aug. 9 Aug. 8 Aug. 7 Aug. 6 High Low High Low High Low

AustriaHa (a) 91,15 91,15 91,15 91,15 91,15 91,15 90,57 90,57 90,57 90,57  
Belgium (a) 89,21 89,21 89,21 89,21 89,21 89,21 87,95 87,95 87,95 87,95  
Denmark (a) 116,12 116,00 116,00 116,00 116,00 116,00 115,88 115,88 115,88 115,88  
France (a) 82,6 82,7 82,7 82,7 82,7 82,7 82,5 82,5 82,5 82,5  
Germany (a) 74,61 73,62 73,62 73,62 73,62 73,62 72,51 72,51 72,51 72,51  
Holland (a) 90,2 90,2 90,2 90,2 90,2 90,2 89,8 89,8 89,8 89,8  
Italy (a) 93,39 93,00 93,00 93,00 93,00 93,00 92,74 92,74 92,74 92,74  
Japan (a) 255,20 256,20 256,20 256,20 256,20 256,20 253,60 253,60 253,60 253,60  
Singapore (a) 266,20 271,27 266,16 266,16 266,16 266,16 261,20 261,20 261,20 261,20

Aug. 11 Aug. 6 July 30 July 23 Year ago (approx.)

Ind. div. yield % 3.48 3.46 3.47 3.86

Aug. 15 Aug. 12 Aug. 11 Aug. 10 Aug. 9 Aug. 8 Aug. 7 Aug. 6 High Low High Low High Low

Switzerland (a) 255,20 255,20 255,20 255,20 255,20 255,20 253,60 253,60 253,60 253,60  
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Aug. 15 Aug. 12 Aug





## NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service attained new highs and lows for 1976.

### NEW HIGHS (5)

COMMONWEALTH (1) ENGINEERING (2) INSURANCES (1)

Aust. 6p. 1976 5p. Cook (W.J.) 1976 5p. Saville, Gordon

Travelers PAPER (1)

Brumming Restd Vt.

### NEW LOWS (40)

BANKS (2) Cie Bancaire

Burt Southern BUILDINGS (1)

Stewart Plastics CHEMICALS (1)

STORES (2) Stanley (A.G.J.)

HOTELS (1)

Borel (L.J.) INDUSTRIALS (7)

Dow (J. A.) 1976 5p. Sanger (J. A.)

Jordan, McAdam Martin Black

St. Gobain PROPERTY (1)

Hongkong Land SHOES (1)

Hulett's Corp. TRUSTS (1)

Alliance Trust Progressive Sec. Inv.

Capital & Nat. 'B' Sec. Alliance Trust

General Investors Standard Trust

Industrial & Prop. 1928 Inv.

Platinum 1928 Inv.

Recent Issues Ultimars (2)

Total Ultimars Vac. Conv.

HOTELS (1)

WIMES (1)

Bruckner (G.) Nov. Wt.

Grindley (G.) Sabra Inds.

### RISES AND FALLS YESTERDAY

Up Down Same

British Funds 11 44

Foreign Bonds 2 80

Industrial and Prop. 157 252

Platinum 11 23

Town and Commercial 7 35

Ultimars 10 66

Total 7 7

Totals 224 533 1,911

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Platinum 11 23

Town and Commercial 7 35

Ultimars 10 66

Total 7 7

Up Down Same





# Henry Boot

Great people to build with  
Henry Boot Construction Limited,  
Dronfield, Sheffield S18 6XR  
Also at Birmingham,  
Bristol, Glasgow, Manchester, London

# FT SHARE INFORMATION SERVICE

NOTES - Continued

## \*\*BRITISH FUNDS

1976	High	Low	Stock	£	+	£	Field
101/2	95	91	Shares (Lives Up to 1976)	100	-	100	Yester.
101/2	95	91	Treasury 1976-77	99	-	99	18.85
101/2	95	91	Electric Spec. 77-78	96	-	96	11.05
102/3	92	91	Treasury 1976-77	100	-	100	2.95
102/3	92	91	Electric Spec. 77-78	97	-	97	4.61
102/3	92	91	Treasury 1976-77	100	-	100	2.95
102/3	92	91	Treasury 1976-77	97	-	97	4.21
102/3	92	91	Treasury 1976-77	96	-	96	4.21
102/3	92	91	Treasury 1976-77	95	-	95	4.21
102/3	92	91	Treasury 1976-77	94	-	94	4.21
102/3	92	91	Treasury 1976-77	93	-	93	4.21
102/3	92	91	Treasury 1976-77	92	-	92	4.21
102/3	92	91	Treasury 1976-77	91	-	91	4.21
102/3	92	91	Treasury 1976-77	90	-	90	4.21
102/3	92	91	Treasury 1976-77	89	-	89	4.21
102/3	92	91	Treasury 1976-77	88	-	88	4.21
102/3	92	91	Treasury 1976-77	87	-	87	4.05
102/3	92	91	Treasury 1976-77	86	-	86	3.87
102/3	92	91	Treasury 1976-77	85	-	85	3.87
102/3	92	91	Treasury 1976-77	84	-	84	3.87
102/3	92	91	Treasury 1976-77	83	-	83	3.87
102/3	92	91	Treasury 1976-77	82	-	82	3.87
102/3	92	91	Treasury 1976-77	81	-	81	3.87
102/3	92	91	Treasury 1976-77	80	-	80	3.87
102/3	92	91	Treasury 1976-77	79	-	79	3.87
102/3	92	91	Treasury 1976-77	78	-	78	3.87
102/3	92	91	Treasury 1976-77	77	-	77	3.87
102/3	92	91	Treasury 1976-77	76	-	76	3.87
102/3	92	91	Treasury 1976-77	75	-	75	3.87
102/3	92	91	Treasury 1976-77	74	-	74	3.87
102/3	92	91	Treasury 1976-77	73	-	73	3.87
102/3	92	91	Treasury 1976-77	72	-	72	3.87
102/3	92	91	Treasury 1976-77	71	-	71	3.87
102/3	92	91	Treasury 1976-77	70	-	70	3.87
102/3	92	91	Treasury 1976-77	69	-	69	3.87
102/3	92	91	Treasury 1976-77	68	-	68	3.87
102/3	92	91	Treasury 1976-77	67	-	67	3.87
102/3	92	91	Treasury 1976-77	66	-	66	3.87
102/3	92	91	Treasury 1976-77	65	-	65	3.87
102/3	92	91	Treasury 1976-77	64	-	64	3.87
102/3	92	91	Treasury 1976-77	63	-	63	3.87
102/3	92	91	Treasury 1976-77	62	-	62	3.87
102/3	92	91	Treasury 1976-77	61	-	61	3.87
102/3	92	91	Treasury 1976-77	60	-	60	3.87
102/3	92	91	Treasury 1976-77	59	-	59	3.87
102/3	92	91	Treasury 1976-77	58	-	58	3.87
102/3	92	91	Treasury 1976-77	57	-	57	3.87
102/3	92	91	Treasury 1976-77	56	-	56	3.87
102/3	92	91	Treasury 1976-77	55	-	55	3.87
102/3	92	91	Treasury 1976-77	54	-	54	3.87
102/3	92	91	Treasury 1976-77	53	-	53	3.87
102/3	92	91	Treasury 1976-77	52	-	52	3.87
102/3	92	91	Treasury 1976-77	51	-	51	3.87
102/3	92	91	Treasury 1976-77	50	-	50	3.87
102/3	92	91	Treasury 1976-77	49	-	49	3.87
102/3	92	91	Treasury 1976-77	48	-	48	3.87
102/3	92	91	Treasury 1976-77	47	-	47	3.87
102/3	92	91	Treasury 1976-77	46	-	46	3.87
102/3	92	91	Treasury 1976-77	45	-	45	3.87
102/3	92	91	Treasury 1976-77	44	-	44	3.87
102/3	92	91	Treasury 1976-77	43	-	43	3.87
102/3	92	91	Treasury 1976-77	42	-	42	3.87
102/3	92	91	Treasury 1976-77	41	-	41	3.87
102/3	92	91	Treasury 1976-77	40	-	40	3.87
102/3	92	91	Treasury 1976-77	39	-	39	3.87
102/3	92	91	Treasury 1976-77	38	-	38	3.87
102/3	92	91	Treasury 1976-77	37	-	37	3.87
102/3	92	91	Treasury 1976-77	36	-	36	3.87
102/3	92	91	Treasury 1976-77	35	-	35	3.87
102/3	92	91	Treasury 1976-77	34	-	34	3.87
102/3	92	91	Treasury 1976-77	33	-	33	3.87
102/3	92	91	Treasury 1976-77	32	-	32	3.87
102/3	92	91	Treasury 1976-77	31	-	31	3.87
102/3	92	91	Treasury 1976-77	30	-	30	3.87
102/3	92	91	Treasury 1976-77	29	-	29	3.87
102/3	92	91	Treasury 1976-77	28	-	28	3.87
102/3	92	91	Treasury 1976-77	27	-	27	3.87
102/3	92	91	Treasury 1976-77	26	-	26	3.87
102/3	92	91	Treasury 1976-77	25	-	25	3.87
102/3	92	91	Treasury 1976-77	24	-	24	3.87
102/3	92	91	Treasury 1976-77	23	-	23	3.87
102/3	92	91	Treasury 1976-77	22	-	22	3.87
102/3	92	91	Treasury 1976-77	21	-	21	3.87
102/3	92	91	Treasury 1976-77	20	-	20	3.87
102/3	92	91	Treasury 1976-77	19	-	19	3.87
102/3	92	91	Treasury 1976-77	18	-	18	3.87
102/3	92	91	Treasury 1976-77	17	-	17	3.87
102/3	92	91	Treasury 1976-77	16	-	16	3.87
102/3	92	91	Treasury 1976-77	15	-	15	3.87
102/3	92	91	Treasury 1976-77	14	-	14	3.87
102/3	92	91	Treasury 1976-77	13	-	13	3.87
102/3	92	91	Treasury 1976-77	12	-	12	3.87
102/3	92	91	Treasury 1976-77	11	-	11	3.87
102/3	92	91	Treasury 1976-77	10	-	10	3.87
102/3	92	91	Treasury 1976-77	9	-	9	3.87
102/3	92	91	Treasury 1976-77	8	-	8	3.87
102/3	92	91	Treasury 1976-77	7	-	7	3.87
102/3	92	91	Treasury 1976-77	6	-	6	3.87
102/3	92	91	Treasury 1976-77	5	-	5	3.87
102/3	92	91	Treasury 1976-77	4	-	4	3.87
102/3	92	91	Treasury 1976-77	3	-	3	3.87





## MAN OF THE WEEK

## Facing shades of green

BY GILES MERRITT

VERY EARLY on Monday morning this week, following a night of rioting in West Belfast, Lt-Gen Sir David House, General Officer Commanding in the North of Ireland, curtailed his leave to fly back to Ulster. Not to take to the Falls Road at the head of his men or even to direct them from the "ops room" at his Lisburn barracks HQ. It is not that sort of a war.

Like politics, counter subversion in the air of the possible and Sir David made his way immediately to Stormont Castle and the long round of inter-locking security conferences that throughout the day revolved around the Secretary of State, Mr. Merlyn Rees.

The betting in Ulster these days is that a determined Provisional IRA offensive is in the offing. If so, it will be General House's first real baptism of fire since taking over last August.

So far, because of political constraints, he has been a fine tuner of the Army's "profile". Many officers in his command feel that they have been right-

LT-GEN. SIR DAVID HOUSE  
A military technocrat

ing the Provos with one hand tied and would be glad of a no-holds-barred scrap even if that meant a reversal of Mr. Rees's "normalisation" policies and his political discomfiture. Sir David, who is of necessity a soldier-politician, is never indiscreet and always non-committal.

"Sir David and Lady House at Home," reads the engraved invitation card often to be found on the mantelpieces of Top People in Ulster. And it is true that so far, despite the military scrappiness of the Northern Ireland crisis and the Army's inenviable role, the GoC has now settled comfortably into the job.

It is said that he only betrays his uneasiness over the shifting sands of Ulster politics in the company of the Catholic leadership. Like most soldiers on an Ulster tour, he is convinced that the Provos are "the only real enemy" and finds it hard to distinguish the shades of green that separate the minority's moderates from the militants.

## Gallantry

A large man whose physical presence is emphasised by the bulk, ribbed khaki sweater he prefers to wear, Sir David may in the public eye lack the affability of Harry Tuzo, his two predecessors, but he has two outstanding assets: He is a super-professional soldier and a team leader. Now 54, he has worked his way single-mindedly to the top and emerged as a military technocrat.

Sir David is a "ranger," who in 1940 joined the elite 60th Rifles straight from his undistinguished London secondary school only to be commissioned the following year and awarded an MC for gallantry in 1944. In Britain's streamlined peace-time Army he was acknowledged by his contemporaries to be a "very bright boy" with a flair for the intricacies and logistics of staff work. Indeed, barring a spell 12 years ago when he commanded the 1st Battalion Greenjackets in Borneo, his first taste of terrorism, he has been above all an executive and a planner.

In Ulster his force of 14,500 regular troops is divided into three brigades, but Lisburn is the nerve centre where the GoC has welded together his team of senior colonels, the brigadier who is his Chief of Staff, and "CLF," his deputy.

Major-General David Young, commander Land Forces, is the 50-year-old junior partner more responsible for the hard soldiering end of the business. In Londonderry this week he was a tall, unmissable figure in the tunic of Shanty and tartan belt of the Royal Scots wearing the slightly puzzling ribbon of the DFC he won as an RAF spotter pilot in the Malayan Emergency. By all accounts, the two generals are complementary rather than like-minded and that does no harm to "the team."

## Textiles and printing to share £35m. aid

BY RYHS DAVID

A TOTAL of £35m. is to be made available by the Government under the Industry Act 1972 aid scheme to help with rationalisation and development in the textile, printing and printing machinery industries, bringing the number of industrial sectors which have been granted assistance to seven.

Mr. Eric Varley, Secretary for Industry, announced the aid scheme for textile machinery and £15m. for printing machinery. The assistance was designed to promote the development of new products, to improve production facilities, to rationalise existing product ranges and to improve management techniques.

The Government's move, part of its policy of concentrating aid selectively on identifiable industrial growth sectors, is in line with recommendations made a month ago at the National Economic Development Committee industrial strategy meeting at which Government, industry and union representatives considered reports prepared by 29 industrial working parties.

The textile machinery group called for an Industry Act scheme and pointed to the industry's problems in finding

skilled manpower. This could be overcome by re-organisation of work, substitution of capital for labour and designing out of scarce skill requirements, it claimed.

Under the scheme, support will be available in the form of concessionary loans or equivalent interest relief grants for up to 50 per cent. of the cost of new product development; 20 per cent. grants on new plant and machinery; 15 per cent. grants towards expenditure on new buildings; loans and grants towards rationalisation and restructuring and 50 per cent. grants for smaller companies towards the cost of employing consultants.

## Initiative

The form of assistance will vary according to the nature of the project and will be dependent on the viability of the company and the commercial soundness and desirability of the project.

Although the latest schemes have been discussed at the tripartite NEDO meetings, the initiative for setting up the two schemes appears to have come

from the two new schemes, assistance is also being provided under the Industry Act to the ferrous foundry, machine tool, clothing, and paper industries. An earlier scheme for the wool textile industry has ended.

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Together with textile machinery manufacturers around the world, the U.K. industry is waiting for the present situation in textile manufacturing activity to be reflected in orders for new equipment.

In printing machinery the Government is clearly concerned that the industry, which once dominated some sectors of the market internationally, should

improve its technology. A balance of payments surplus of around £30m. in the early 1970s was trimmed to £7m. in 1974, though a subsequent recovery took place last year.

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